FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Dismiss Gandhi call grows

Several Opposition leaders yesterday called upon President Fakhruddin Ali Amed of India to dismiss Mrs. Indira Gandhi, India's Prime Minister, from office if she did not resign following the Allahabad High Court's verdict that she was guilty of election offences.

The demand was made in a cable sent in the name of the five-party right-wing Jawata (People's) Front which, completing *a significant* election victory in the western state of Gujarat yesterday, caused another major setback for Mrs. Gandhi's ruling Congress Party.

The leaders said that if the President did not act against Mrs. Gandhi by June 21 they would stage a massive march on the Presidential mansion the next day to demand her removal.

Meanwhile, Mrs. Gandhi, with support from her Cabinet colleagues and the Congress Party leadership, has decided not to quit and to appeal in the Supreme Court against the High Court judgement.
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Girl, 4, blown up in Belfast

A four-year-old girl was killed in Belfast yesterday by a booby-trap bomb wired to her father's car. The father, who exploded the bomb when he turned on the ignition, is seriously ill. Last night, Mr. Merlyn Rees, Ulster Secretary, *again rejected* the view that there should be an immediate withdrawal of the army from Northern Ireland.
Page 11

No clues yet to pit blast cause

The cause of the blast which *killed* five men on Thursday night at Houghton Main Colliery near Barnsley, Yorkshire, was still unknown last night. Regular tests had shown very little methane gas. Mr. Anthony Wedgwood Benn, Energy Secretary, who visited the pit yesterday, spoke of the possibility of a public inquiry. The Queen and Prince Philip are to visit a coal face 10 miles from Houghton on July 30.

Wilson to sign letter to Amin

Mr. Harold Wilson is to send a signed message to President Amin in a bid to save the life of Mr. Dennis Hills, 61, the British lecturer under sentence of death in Uganda. A Foreign Office spokesman confirmed that the British High Commissioner in Kampala had been told that President Amin would consider a message if it was signed personally by the Queen or the Prime Minister.

Ascot picket plan

Newmarket stable lads are planning a mass picket of next week's Royal Ascot meeting after rejecting a new cash offer of £3 a week from trainers yesterday.
To-day's Racing, Page 18

Leeds punished

The European Football Union yesterday banned Leeds United from European soccer until the end of the 1978 season at least because of the violent behaviour of its supporters at the UEFA Cup Final in Paris last month. The club may appeal.

Briefly . . .

Mr. Ralph Hilton, a founder of Ralph Hilton Transport Services, was acquitted at the Old Bailey of plotting to falsify documents so as to mislead investors over 1971 profits. Page 19

Pollen count in London yesterday was 81, which is high. The forecast is higher.

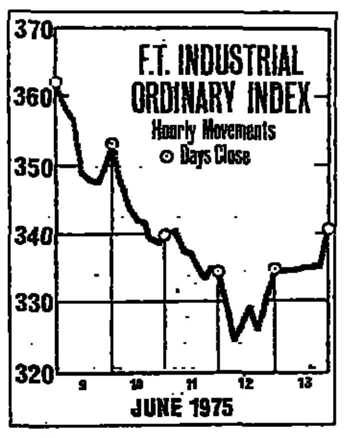
W. Barrington Dalby, whose boxing commentaries were a feature of post-war BBC radio, has dide aged 81.

Mr. Derek Marks, former editor of the Daily Express who died in February aged 54, left £22,208

BUSINESS

Equities rally 5.9: down 21 on week

● **EQUITIES improved sharply in late business, following announcement of the trade figures. The FT 30-share index—up 0.5 at 3 p.m.—rallied to close 5.9 up at 340.6. This leaves losses of 21.4 on the week and 4.5 on the Account. All-Share index rose 1.3 per cent. to 145.10.**



● **GILTS—up to ½ higher on Mr. Healey's inflation pledge—extended their gains "after hours". *Shorts ended up to ¾ ahead.* Government Securities index rose 0.66 to 58.22.**

● **INVESTMENT DOLLAR premium fell 3⅝ to 91⅞ per cent.**

● **GOLD dropped $1¾ to $164¼.**

● **STERLING rose 50 points to $2.2835; its weighted depreciation was 25.9 per cent. (26.2). Dollar's was again 6.95.**

● **TREASURY Bill rate rose 0.0162 to 9.4148 per cent. MLR is unchanged at 10 per cent.**

● **WALL STREET closed 5.16 higher at 824.47, helped by *improved U.S. car sales.***

● **IRELAND** has allocated exclusive petroleum licences for 23 off-shore blocks to five consortia. Page 19

● **U.K. STEEL** production should be only 4 per cent. below last year's levels in the next four months, according to guidelines issued by the Brussels Commission. The average EEC cut-back will be 15 per cent.
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Mortgage funds hold up in May

● *BUILDING SOCIETIES* had another successful month in May, despite a cut in interest rates. Net receipts at £317m. are second only to April's £406m.
Back Page

● **CONSTRUCTION** industry should see an upturn by next years, says Housing Minister Mr. Reg Freeson, although *Government* figures show building output remained low in the first quarter of 1975.
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● **NALGO** voted at its annual conference to back the proposal of Mr. Jack Jones, TGWU general secretary, that the social contract should embody the principle of a flat-rate pay *increase for all.*
Page 15

● **ICI** production workers at Wilton, Teesside, rejected decisively their shop stewards' recommendation to strike from Monday.
Page 11

COMPANIES

● **SKF** is expected to make a new offer for Sheffield Twist Drill and Steel, after the £11.48m. counter-bid from Thorn.
Back Page

● **PILKINGTON BROS.** pre-tax profits almost halved from £43.78m. to £23.44m. in the year to March 31.
Page 16 and Lex. Further 270 redundancies, Page 11

● **GRAND METROPOLITAN** first-half taxable profits rose £1.42m. to £15.32m.
Page 16

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated.)

RISES:

Treasury 3% 1979	£78½	+ ½
Treasury 12½% 1993	£86¾	+ ⅝
Albright & Wilson	76	+ 5
Alida Packaging	74	+ 5
Allied Irish Bank	112	+ 5
Allied Retailers	78	+ 5
Babcock & Wilcox	115	+ 10
BATS	332	+ 7
Charrington Gardner	33	+ 4
Chloride	103	+ 5
Courtaulds	131	+ 7
Crosby Spring	13	+ 3
De la Rue	188	+ 8
GKN	251	+ 6
Hambros Bank	173	+ 8
London Utd. Inv.	84	+ 9
Pilkington	195	+ 13
Sangers	61	+ 7
Sheffield Twist Drill	91	+ 6
Tarmac	133	+ 7
Thomson Orgnstn.	199	+ 11
Thorn Electrical	168	+ 6
Vickers	139	+ 5
Woodhead (J.)	76	+ 5
Yule Catto	37	+ 6
Shell Transport	315	+ 6

FALLS:

Cropper (J.)	27	− 3
I.O.M. Assoc.	45	− 13
Martin the Newsagent	120	− 8
Norsk Hydro	50	− 8
Guthrie	202	− 13
Woodside Burmah	63	− 5
De Beers	295	− 7
Gold Mines Kalgoorlie	145	− 10
Libanon	£13¼	− ¼
Marievale	450	− 30
Palabora	880	− 40
Pancontinental	315	− 15

Cut in trade deficit to £16m. in May brings relief for £

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

The announcement yesterday of a sharp reduction in the U.K.'s overseas trade deficit—down from £291m. in April to £16m. in May—brought relief to the foreign exchange markets at the end of a difficult week for the pound.

With exports up 16 per cent. at £1.586bn., and imports falling 3 per cent. to £1.602bn. the improvement in the trade balance last month was sufficient to bring the current account of the balance of payments into surplus of £104m., after taking credit for estimated net earnings of £120m. on non-merchandise trade.

After the modest support for the pound by the Bank of England on Thursday, and the Chancellor's promise of firmer anti-inflationary action, the pound was much steadier yesterday, even before the trade figures announcement at 3.30 p.m.

It was a quiet exchange market, needing little or no official intervention, with noticeable commercial buying of sterling from New York. Compared with its overnight depreciation of 26.2 per cent. from December 1971 levels, the pound opened at 25.9 per cent. and closed at this level after drifting to 26.2 per cent. at mid-day.

In terms of the dollar it closed at $2.2835 last night, against $2.2785 on Thursday.

The steadying in the pound's value on Thursday and Friday *still leaves it close to its lowest* ever against most key currencies, with the trade weighted value nearly 1½ per cent. lower than a week ago, after the announcement of the "Yes" vote in the referendum.

The exchange markets' concern is fundamentally about the U.K.'s high rate of inflation—underlined yesterday by the record cost of living rise in May.

While not resisting the basic downward movements in sterling which reflects the consequences of the U.K.'s higher inflation rate, the U.K. authorities have been concerned to prevent over-reaction in the markets.

Waiting

But official sources yesterday dismissed suggestions that the Government had a new Budgetary package already worked out. Although contingency work is certainly proceeding, the Chancellor intends to wait and see what sort of incomes policy package the unions come up with themselves before taking a final decision on the shape of the promised anti-inflationary measures.

In this connection, Mr. Joel Barnett, Chief Secretary to the Treasury, warned yesterday that *if public sector wage settlements* continued at present rates, important public sector programmes would have to be cut. "There must be no delusion that public funds will be available to meet the cost of all wage settlements, at whatever level," he stated.

These various attempts to restore confidence and prevent a heavy run on the pound this week have added significance in the light of the trend shown by the trade figures.

For although one month's figures can always be misleading—and this month's export jump owed something to the backlog of shipments held up by the London dock strike—the three-month trend still shows a very marked improvement.

This means that, other things—and particularly confidence—being equal, the U.K. authorities have less of an overseas financing problem this year than they originally envisaged.

The visible trade deficit more than halved between December-February and March-May—from £958m. to £424m. After allowance for the net surplus on non-merchandise trade, the full balance of payments deficit on current account came down even

Continued on Back Page

Bigger sales to oil states, Page 19

Government amendments to Industry Bill soon

BY JOHN BOURNE, LOBBY EDITOR

THE GOVERNMENT has decided to table a number of amendments to the controversial Industry Bill after further discussions between Ministers, the TUC and the CBI. The Bill's final stages are understood to be "not far away."

The position emerged last night after the Prime Minister and 12 of his Cabinet colleagues had spent several hours at Chequers discussing the Bill's future after the completion of its marathon committee stage in the Commons on Thursday.

Mr. Anthony Wedgwood Benn, the new Energy Secretary, decided not to attend, but to go instead to the scene of the Barnsley colliery accident in Yorkshire. He was represented at Chequers by Lord Balogh, his *Minister of State.*

Also at the meeting was Mr. Sam Silkin, the Attorney-General.

The most likely amendments to the Bill include some changes *in its rigorous provisions for* compulsory disclosure of company information to the Government and to trade union representatives, which the CBI has objected to on the ground that they go far beyond the original proposals in the White Paper, The Regeneration of British Industry.

Left-wing fears

The Bill's provisions for the National Enterprise Board will also probably be supplemented by the publication of additional guidelines on the Board's activities—either before or after *enactment of the Bill* — and possibly there will be another paper with guidelines for the proposed planning agreements between the Government and individual companies.

Left-wing Labour MPs suspect that there may be an attempt by the Government to water down its industrial policy after the departure to Energy of Mr. Wedgwood Benn, who launched the Bill when he was Industry Secretary. if their fears are correct, the Report Stage will be stormy when the Bill returns to the floor of the Commons.

It was denied last night that at yesterday's Chequers meeting, the finance available for the NEB was discussed. However, the Chancellor of the Exchequer, who was present, is known to take the view that the NEB together with other selective financial assistance to industry from the Government, must not be excluded from the Treasury's control over public expenditure.

Bill "unaffected," Page 6

Life peerage for Sir Don Ryder

BY RICHARD EVANS, LOBBY CORRESPONDENT

SIR DON RYDER, the Government's industrial adviser and chairman-designate of the National Enterprise Board, is one of six life peers in the Queen's Birthday Honours announced to-day.

Sir Don, former chairman and chief executive of Reed International, was the architect of the Government's plan to rescue the British Leyland Motor Corporation from its financial difficulties.

Among the other life peers, are two senior executives in publishing, Sir William Barnetson, chairman of United Newspapers, and Mr. Sydney Jacobsen, former editorial director and deputy chairman of the International Publishing Corporation.

Once more the world of industry and business is strongly represented, with a peerage to Mr. John Gregson, managing director of Fairey Engineering, and knighthoods to Mr. Charles Villiers, chairman of Guinness Mahon; Mr. David Nicholson, chairman of the British Airways Board; Mr. George Bishop, chairman of Booker McConnell; and Mr. Arthur Knight, deputy chairman of Courtaulds.

Knighthoods for services to exports go to Mr. Peter Matthews, managing director of Vickers, and Mr. Jack Wellings, chairman and managing director of *the George* Cohen 600 Group.

Mr. Ralph Bateman, the outspoken president of the Confederation of British Industry, and Mr. Jasper Hollom, deputy governor of the Bank of England, receive the KBE.

A feature of the list is the number of awards for women—it is International Women's Year. There are six Dames, compared with the usual single award. They include Miss Bridget D'Oyly Carte for her services to the D'Oyly Carte Opera Trust, Miss Wendy Hiller, the actress and Miss Vera Lynn, the singer and war-time Forces sweetheart, for her services to charity.

In a list in which politicians are not prominent, the three new Privy Councillors are Mr. William Rodgers, Minister of State for Defence and one of the most passionate pro-Marketeers in the Government, Mr. Bruce Millan, Minister of State at the Scottish Office and the likely successor to Mr. William Ross as Scottish Secretary, and Lady Llewelyn-Davies, a Government Whip in the Lords.

Sir Leslie Lever, who was Labour MP for Manchester Ardwick from 1950 to 1970 and is the brother of Mr. Harold Lever, Chancellor of the Duchy of Lancaster, becomes a life peer.

The two new Companions of Honour are Lord Aylestone, a former Labour Minister, who recently retired from the chairmanship of the Independent Broadcasting Authority, and Lord Morris of Borth-y-Gest for his public services in Wales.

Among the eight honoured for their devotion to duty in the Moorgate tube disaster is Chief Inspector Brian Fisher, who was on the scene within minutes and stayed to supervise the rescue operation for five days. He receives an MBE.

The arts once again feature prominently in the list with knighthoods for Mr. Osbert Lancaster the cartoonist and designer, and Mr. V. S. Pritchett, the writer, and the CBE for Miss Fay Compton, the actress, Mr. Norman del Mar, the conductor, Mr. John Shirley-Quirk, the singer, comedian Mr. Tommy Trinder for his services to charity and Mr. Peter Ustinov for his services to the theatre. Mr. H. A. N. Brockman, the architecture correspondent of the Financial Times is made an OBE.

Mr. John Profumo, the former War Minister in Harold Macmillan's administration, has been awarded the CBE for a decade of work at Toynbee Hall among the poor of London's East End.

In sport, Mr. Brian Close, the former England and Yorkshire cricket captain receives the CBE. Mr. Cliff Lloyd, secretary of the Professional Footballers' Association, the OBE.

Honours for businessmen, Page 12

Wilson to make appeal to NUR

By Roy Rogers, Labour Correspondent

THE PRIME MINISTER will to-night make a dramatic plea to the full executive of the National Union of Railwaymen to call off *the national rail strike planned* to begin a week on Monday.

Last night, Mr. Wilson invited Mr. Sid Weighell and Mr. David Bowman, NUR general secretary and president, to 10, Downing Street, where it was agreed to bring the union's 24-man executive together at the earliest opportunity—8 o'clock this evening.

Earlier in the day Mr. Wilson began his not unexpected intervention by meeting TUC leaders, including Mr. Len Murray, the general secretary and Mr. Jack Jones of the Transport Workers. Mr. Hugh Scanlon of the Engineers, Mr. David Basnett of the General and Municipal Workers and Lord Allen of the Shopworkers made up the rest of the TUC team, while Mr. Wilson was flanked by Mr. Denis Healey, Chancellor of the Exchequer, and Mr. Michael Foot and Mr. Anthony Crosland, the Employment and Environment Secretaries.

Discussions at this top-level meeting centred on the rail dispute and how a strike would affect the already struggling national economy and the fight against inflation. It was agreed that the Government should seek to explain this position to the entire 24-man NUR executive who only on Thursday unanimously reaffirmed their strike decision. The TUC leaders were asked by the Minister whether *they thought they should be in* on the Government's talks with the NUR. The union leaders felt that they should not.

Low-paid issue

Of the three rail unions the NUR alone has rejected an arbitration award worth 27.7 per cent. and is pressing for increases of 30 to 35 per cent. weighted in favour of the lower-paid. They feel that under the £77.5m. award the lowest-paid railmen would fall further behind surface coal-miners, electricity supply labourers and postmen.

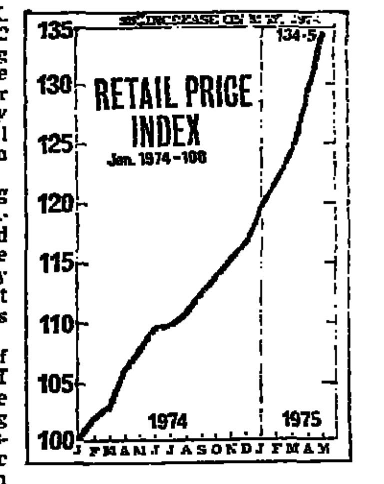
Earlier this week the British Rail Board made it clear to the NUR that it would make no further improvements to the rail tribunal's award.

By agreeing with the TUC that it should seek to persuade the NUR against strike action the Government appears to be indicating that it is ready to take on the union if it insists on carrying out its threat.

Support for the NUR came yesterday with a declaration from the Confederation of Shipbuilding and Engineering Unions that their members in British Rail workshops would not do work normally done by NUR shopmen if the NUR went ahead with the strike.

Budget helps to put 4.2% on prices

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT



THE COST of living in the U.K. *shot up by an unprecedented* 4.2 per cent. in May alone, bringing the increase in the year since May 1974 to a record 25.0 per cent.). (At 134.5—base January 1974=100—the latest official index compares with 129.1 in April).

Announcing these alarming figures yesterday, the Department of Employment emphasised that three-fifths of the increase last month was accounted for by the direct effect of the Budget tax increases on the retail prices index.

These tax increases were, of course, aimed at siphoning off purchasing power from the economy as a way of depressing demand and inflationary pressures. But they have the ironic effect of making the situation look worse—before, the Government hopes, it looks better.

In an attempt to have it both ways Whitehall pointed out yesterday that, but for the tax increases, the rise in prices from May 1974 to May 1975 would have been 22 per cent.

The increase in duty on alcohol last month put 1 per cent. on the index; the tobacco duty rise added another 1 per cent.; and the increase in VAT a further ½ per cent.

Distortion

As if the 25 per cent. rise in prices in the last 12 months were not forbidding enough, the extent of the upward pressure on prices is brought into even starker relief by the fact that the index of all items except seasonal food has risen at annual rate of 36 per cent. in the past six months.

This index is normally considered one of the best guides to trends, although it too has been distorted by the effect of the tax changes. The distortion is even bigger if the last three months are taken on an annual basis—showing an increase at a rate of around 50 per cent. per annum.

Leaving aside the effect of the tax changes, the main influence on the cost of living index this *month is once again the upward* pressure of wage costs as they feed through into prices. This pressure is being reinforced by the process of dismantling price controls and subsidies, thus laying bare inflationary influences which were previously disguised.

In his Budget Mr. Healey said there were good prospects that between June and December the cost of living would rise on average by not much more than 1 per cent. a month—that is, an annual rate of between 12 and 16 per cent.

Official sources are now tending to project such figures into the closing months of the year.

The cost of living index will now benefit from the recent fall in commodity—especially food—prices, and most of the Budget-induced price increases have taken place.

Nevertheless, from what is already known of wage and price increases in the pipeline, the "optimistic" expectation for the next few months is an increase of between 1½ per cent. and 2 per cent. a month in the retail prices index.

Moreover the key figure in union negotiations is of course the year-on-year rise. And in the coming months this will be swollen automatically by the fact *that the base of comparison—last* summer—was lowered by the effects of the VAT reductions which took place at that time.

Christian Tyler writes: The jump in the RPI means an immediate 5 per cent. pay rise—about £2 a week—for over 150,000 Post Office workers only five and a-half months after their last wage settlement.

The Post Office was one of the few public sector employers to agree to a new threshold clause for 1975—in this case triggering at only 10 per cent. above the RPI level at the time of the deal.

This brought a public rebuke from Mr. Michael Foot's Department of Employment, which said the Post Office had broken the social contract.

However, both the Post Office and the Union of Post Office Workers claimed their settlement was a model interpretation.

Meanwhile the 25 per cent. May-to-May RPI rise can only stiffen the determination of groups still in negotiation on claims of 30 per cent. and more. Those groups include the railwaymen, British Steel Corporation workers and nearly 500,000 white collar staff in local government and gas, water and electricity supply. Most of these staffs have been offered 21.7 per cent. so far.

FEATURES

For latest Share Index 'phone 01-246 8026.

ON OTHER PAGES

The week in London and New York

Falling pound weakens equities

Sterling came under renewed pressure on Tuesday and by Wednesday the equity market had fallen nearly 28 points (roughly 8 per cent.) in just three days. The relative steadiness shown since then has been confined solely to the leaders with falls among FT quoted stocks running, on average, five to one against rises. On the week the 30-Share index is 21.4 points lower at 340.6 having risen 17 points during the first leg of the account.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM MAY 15

	% Rise
Banks	+13.2
Discount Houses.	+8.0
Electronics, Radio & TV	+6.7
Chemicals	+5.8
Oils	+5.2
Breweries	+5.1
All-Share Index	+0.7

THE WORST PERFORMERS

	% Fall
Engineering (Heavy)	−3.9
Shipping	−4.8
Building Materials	−5.9
Machine & Other Tools	−10.8
Hire Purchase	−14.1
Property	−17.7

The latest gloomy inflation forecast from the National Institute did nothing to resolve the problems of the pound which at one time on Thursday touched a trade weighted depreciation of 26½ per cent. There was a modest recovery to 25.9 per cent. yesterday, and the rise in the retail price index for May was no worse than the City had feared. However, the equity market is clearly facing reality again now that the referendum's distractions are out of the way. Gilts recovered modestly yesterday following another set of encouraging trade figures—and the talk grows increasingly of early economic action from the Government.

Setbacks for top merchant banks

Two of the City's most famous merchant banks—Hill Samuel and Hambros—reported this week on a 1974-75 financial year which was riddled with problems. In both cases the fall in stock markets left them with investment losses—some £0.6m. for HS, considerably more for Hambros—and the deteriorating financial climate caused them to cut down the volume of their banking business and look carefully at the security of their lending.

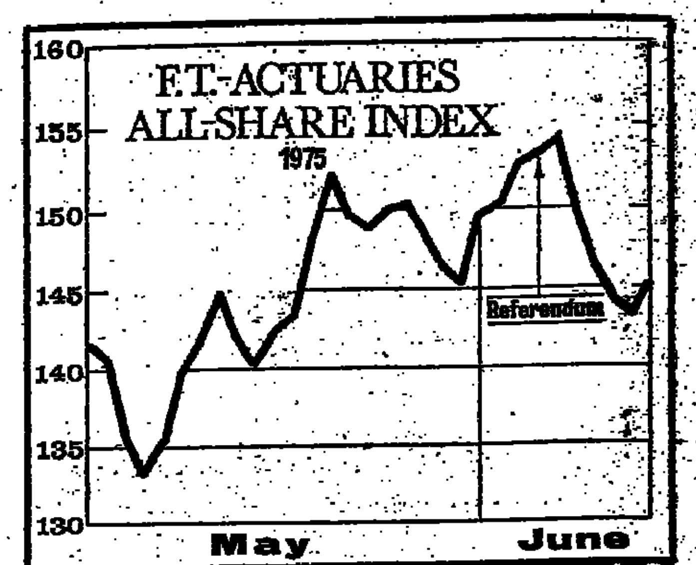
Areas like investment management and corporate finance also tended to be less profitable, given low security prices and conditions of uncertainty which crippled the new issue market last year and caused takeover activity to contract sharply. Still, HS limited its fall in disclosed earnings to 15 per cent. at £5.3m., and although Hambros' earnings slumped from £5.7m. to £3.1m. it is paying a higher dividend. Both shares have shown significant relative strength against the market this week.

Both banks have steered clear of the kind of property lending disasters which recently hit Brandts, for instance. But both have suffered other problems. HS originally lost $19.5m. in the crash of Herstatt in Germany a year ago, and one of the most important points in its results statement was that it has now recovered 83 per cent. of this loss. Difficulties at Hambros have centred on its loans to tanker owners, notably the Norwegians Reksten and Waage: with the Norwegian Government mounting a rescue operation, however, Hambros has not thought it necessary to make provisions in this area. Both banks must now be hoping that with financial markets recovering and confidence being restored to the international banking system 1975-76 will be a better year.

Uphill ride at Raleigh

Tube Investments' shares have fallen even further than the market over the last week—dropping by 42p to 262p after a relatively strong price performance in the previous three weeks. The immediate cause was news that the group had been putting workers at one of its Raleigh cycle factories on a three-day week because of the collapse of the U.S. cycle market, this division's largest overseas sales area. The problems in the U.S. started last summer and affected Tubes in the second half of last year: for 1974 as a whole the cycle division's profits before loan stock interest fell from £6m. to £4.3m.

The downturn of the U.S. cycle market has continued this year and total sales there in 1975 are expected to be between 6.5m. and 7m. compared with 13m. last year and 15m. in the boom year of 1973. Raleigh is not anticipating a roughly similar fall in its sales to the U.S. and the results of this division depend on how far Tubes can offset the decline here with increased sales in other overseas markets—for example, in Africa, notably Nigeria, and in the Far East. External estimates suggest possible profits of between £1.5m. and £4m. from this division, which accounted for less than a tenth of pre-interest profits last year. So the market may be overreacting to this week's specific news, even though few outside analysts doubt that after roughly maintained profits in the first half of 1975 the group is likely to face increasingly tight market conditions over the following 12 months.



Baking recovery underway

Associated British Foods' results might have mildly disappointed this week with a rise in pre-tax profits (of 15 per cent.) that was just on target for 1974-75. But the figures did reflect a move towards improved baking results in the U.K.—a trend that was spelt out more fully on Wednesday with a forecast from Spillers (at its agm) of a material improvement in profits for 1975-76.

Lower interest charges and bakery rationalisation are the twin supports behind Spillers' confidence, and with the group losing something like £7m. before interest on bread manufacture last year it clearly has plenty of scope for a recovery. The opening half of 1975-76 is likely to look particularly pleasing against a bad period last year. Interest rates are lower, Spillers may still be working through last year's forward wheat purchases but the trade now has a better selling price structure and Spillers is gaining from labour reductions. Last year the group cut its workforce by a sixth, closing 11 bakeries and 23 depots.

AB Foods' baking results in the U.K. have never been disclosed. The group is reckoned to be the most efficient in the sector and its recovery potential is not as great as that at Spillers or Ranks Hovis. But plainly ABF can look forward to more worthwhile profits from basic bread lines this year, while the group's growth overseas—limited by a setback in Australia to well under a tenth in 1974-75—could also pick up.

The struggle for Sheffield Twist

Thorn Electrical made firm its counter-bid for Sheffield Twist Drill on Thursday but not 24 hours later the ball was presumably back in Thorn's court with SKF of Sweden extending the deadline on its original offer until next Thursday. Acceptances to date have taken SKF's holding in STD up to 38 per cent. on an agreed bid of 77½p in cash. Thorn is putting up an extra 7½p a share but appears to have missed the boat somewhat by not spelling out earlier its full bid intentions. Thorn controls 7½ per cent. of STD.

However, shareholders in STD can have few complaints whatever the City in general may think of Thorn's handling of this situation—having seen their shares rise from as little as 18p this year to 91p last night. Where the tussle between SKF and Thorn goes from here is a matter for guesswork; but clearly both groups find the idea of dominating the European cutting tool industry attractive and both have plenty of room for further manoeuvring. STD needs to make £1.35m. to cover the cost of the Thorn offer against actual 1973-74 profits of £1.8m. Thorn itself returned £74m. pre-tax last year.

Elsewhere in the bids field, N. Greening has now formulated its defence against the offer from Johnson and Firth Brown. It includes an asset revaluation, a dividend raised by over 40 per cent. and 1974-75 profits up by £685,000 to £1.6m., before tax. The JFB paper bid might be giving Greening 19 per cent. of a combined group equity in return for a 16 per cent. or so contribution to the profits total, but at 24p a share it nonetheless has to compare with Greening's net worth of 52p. At the same time Greening's yield is now over a point above that returned by JFB; the shares closed at 27p yesterday.

Onlooker

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1975 High	1975 Low	
F.T. Ind. Ord. Index	340.6	−21.4	365.3	146.0	Pre-referendum enthusiasm wanes
F.T. Govt. Secs. Index	58.22	−0.50	62.34	49.18	Sterling's weakness
Bank of Ireland	440	−45	520	180	Recent 'hedge' support withdrawn
Berry Wiggins	87	+12	87	30	Bid speculation
Brown (John)	62	−13	120	46	Contract losses
Chapman (Balham)	105	+10	110	65	Impressive annual results
Chloride	103	−14	118	38	Disappointing results
Crosby House	112	+20	112	80	Good results
Dunlop	51	−6	59	17	Market trend
Gunn (A)	56	+11	63	18	Bid from Hewden-Stuart
Guthrie	202	−40	285	130	Disappointing results
Hambros	173	+18	218	58	Satisfactory results
ICI	291	−11	302	118	Market trend
Johnson Matthey	296	−44	345	120	Disappointing results
Marks and Spencer	227	−23	256	95	Sizeable selling
Oxley Printing	10	−3	24	9	Receiver app'td for subsidiary
Petbow Hldgs.	112	+22	116	46	Profits advance
Pilkington Bros.	195	−17	218	94	In front of y'day's results
Pot. Platinums	220	+16	230	100	Persistent Cape demand
Sheffield Twist.	91	+21	91	18	Thorn counter-offer 85p per sh.
Shell Transport	311	−18	343	118	Reaction after recent firmness
Tube Investments	262	−42	312	121	U.S. cycle production cutback

Drifting market

BY JAY PALMER

NEW YORK, June 13.

EVIDENCE THAT the U.S. recession has finally bottomed out now seems overwhelming. The Department of Commerce's most recently created composite index of leading economic indicators is now more than 6 per cent. above its February low while the Labour Department's latest analysis shows a continuing increase in new hirings.

At the same time, building contract awards are rising and the number of new house building permits is sharply higher. Retail sales are coming out of the doldrums with a 9 per cent. gain in recent weeks and both new orders and shipments of manufactured goods are now moving higher.

Despite all these bullish signs, Wall Street remains basically bearish. The economic recovery was discounted way back in the spring upsurge and the mood now is one of disappointment over the projected slow nature of the recovery.

While a slow recovery certainly augurs well for a lower rate of inflation in 1976—projections now vary between a pessimistic 6 per cent. annual rate next year and a euphoric 3 per cent.—this market now needs something more than improving economic indicators to get moving. Certainly the ominous implications stemming from a projected autumn oil price rise must work to dampen renewed enthusiasm.

Over the immediate future, the trend seems clearly downwards with the traditional summer trading volume slump (signs of which are already appearing) working to ease the market lower, and the interest rate decline, which in recent months has provided much of Wall Street's bullish impetus, now looks burnt out.

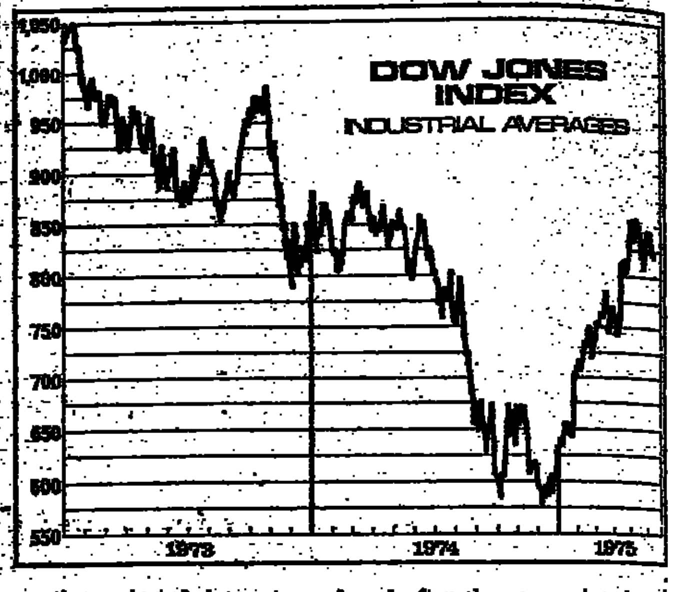
In recent weeks, the so-called glamour stocks and "vestal virgins" of the glorious "go-go" years have proved exceptionally vulnerable to this let-up in enthusiasm. In the last five days most have continued to lose ground.

While glamours may once again be in disfavour, there are signs that one old favourite of the late 1960s, the conglomerates, are becoming again popular. Some, of course, like Bangor Punta, LTV and Litton remain in the shade but at the same time others including Textron (the so-called "father of conglomerates"), ITT and Transamerica are riding a wave of popularity.

As five years ago, the market is convinced that sensible diversification works to eliminate sector fluctuations and provides steady growth.

Some months ago, I mentioned in this column the curious performance of American Telephone and Telegraph's shares ahead of and after the conversion date of the company's warrants. Rising sharply against all expectations to the warrant conversion price, ATT shares almost immediately afterwards lost all their friends and slumped lower.

This week the Securities and Exchange Commission and the New York Stock Exchange both announced that they were looking into complaints that Morgan Stanley, ATT's dealer-manager for the warrants, manipulated the share price. While that may be an impossible allegation to prove (and Morgan itself has yet to state its side of the argument), the investigation should serve to eliminate one way or another doubts about the bank's role in the affair.



DOW JONES INDUSTRIALS

	CLOSE	CHANGE
MON.	830.10	−9.54
TUES.	822.12	−7.98
WED.	824.55	+2.43
THURS.	819.31	−5.24
FRI.	824.47	+5.16

MINES IN THE NEWS

When the glister fades from gold shares

BY KENNETH MARSTON

WHILE the price of gold has continued to jog along in a steady, if unexciting, manner this week, the half-yearly dividends announced by the South African gold mines have been in low key. This is not surprising in vief of the fact that they relate to a period of lower gold prices and the inevitable continued rise in costs.

Most of the payments are below those of a year ago and the more marginal mines have had to make some sizeable reductions; they are the ones that produced the sharpest increases in dividends when the gold price was on the way up. So interims have been chopped by such mines as East Rand Proprietary, Durban Deep, South African Land, and West Rand Consolidated while East Daggafontein is not paying anything this time.

On the other hand a few payments have been above expectations. The best has been the final of 105 cents announced by Buffelsfontein which makes a total for the current year to June 30 of 180 cents against 160 cents for 1973-74. Hartebeest and Libanon have also done well. Kloof has paid rather more than was expected, although its total of 55 cents for the year is considerably below the 79 cents paid for 1973-74.

West Driefontein's final has been rather below some anticipations but the year's total of 485 cents still makes a good showing against the previous 300 cents. East Driefontein has made the final loan stock redemption on the combined units (holders of which also get a first dividend of 5 cents). From now on the units will cease to exist as such and will become the same as the present ordinary shares.

GOLD DIVIDENDS

	June 1975 cents	Dec. 1974 cents	June 1974 cents	Dec. 1973 cents
Blyvoor	50	50	55	35
Buffels	105	75	105	55
Doornf'tn	60	50	65	35
Durban	*20	50	60	50
E. Dagga	*nil	10	15	20
E. Drie.	*30	35	20	10
E. R. Prop.	*25	40	75	65
Elsburg	13	33.8	11.7	3
Grootvlei	*10	15	17	13
Hartebst.	130	85	110	50
Kloof	30	25	50	29
Libanon	60	50	65	35
Marievale	*‡17	50	‡44	45
S.A. Land	*7½	42½	42½	30
Southvaal	—	9	—	—
Stilf'tn.	*16	37.5	27½	25
Vaal Rfs.	*75	120	100	65
Venters	30	40	55	20
Vlakf't'n	*10	20	15	12
W. Areas	*20	52	18	26
W. Drie	275	210	260	40
W. Deep	*67.5	90	70	80
W.R. Cons.	*5	20	20	6.5
Zandpan	21.25	*14.5	19	8

*Denotes interim.
†Including capital return of 5 cents.
‡Including capital return of 10 cents.

Gold sales

One reason why the price of gold recovered so well in the week before last following the news that the U.S. is to auction a further 500,000 ounces on June 30 is suggested by the South African Reserve Bank figures for the period. These indicate that the country held back from the market some 2¼ tonnes out of an estimated weekly production of about 13.5 tonnes.

This is the first occasion since the week ended January 10 that South Africa has retained gold in her reserves; most of the time the opposite has been the case with sales from reserves running at an average of just over 1 tonne a week. Another factor which may now come into the picture is the possibility of production being adversely affected as a result of the white miners' demand for a five-day week.

Tiring of the lack of progress made in negotiations, the mineworkers' union has now declared a state of dispute which is a necessary prelude to industrial action. While it may be going too far to suggest that a strike is in prospect, a shorter working week must mean some reduction in production.

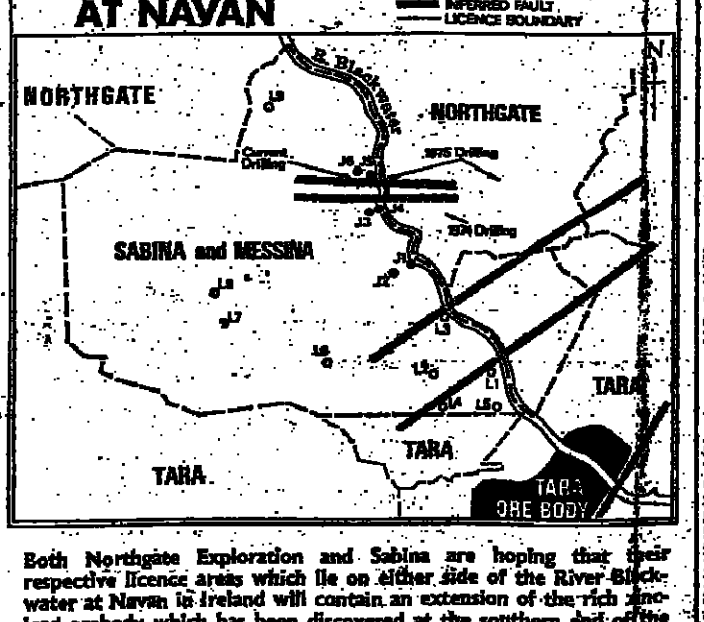
This coupled with possible further gold retentions would no doubt bolster the bullion price but it is not going to help gold mine earnings. Caution thus continues to be the watchword in the gold share market, but holdings of the better grade mines should be retained if only as a hedge against the problems of sterling.

If there is a prize for patience, it should go to the shareholders of Beralt Tin and Wolfram. They have seen their company go from rags to what they feel should be riches in line with the price of wolfram which still keeps up remarkably well in the face of the downturn in the metal's major consumer, the steel industry.

On the way to this new scene they have countenanced a deal whereby Portugese interests have bought a 19.45 per cent. interest in the operating mine at Panasqueira and the political upheaval in Portugal. They still hope for a resumption of dividends from Beralt which has not been able to pay them anything since the 21p distributed for 1970—and this was followed by a £2.2m. rights issue in 1973.

The Portuguese operating company has indeed moved out of the red, to the tune of a net profit equal to £1.86m. last year, and has declared a dividend in Portuguese currency equal to £1.5m. This, says Beralt's chairman, Mr. L. G. Stopford Sackville, would mean that Beralt could pay a dividend of about 4p per share, putting the latter on a yield of 16 per cent.

So far, however, Portugal's left-wing Government has not allowed Beralt to bring its share of the profits home and so distribute a well-deserved dividend to the shareholders. Hopefully, it may do so in fairness to an operation which is a good employer—wages were lifted by 80 per cent. last year—and which has a mine with a good life prospect despite the ravages of cost inflation. But "fairness" tends to be rather one-sided these days.



Both Northgate Exploration and Sabina are hoping that their respective licence areas which lie on either side of the River Blackwater at Navan in Ireland will contain an extension of the rich zinc-lead orebody, which has been discovered at the southern end of the river by Tara Exploration. Sabina's ground, which was originally probed by Selection Trust, is now being drilled for the company by Messina and this week it has been announced that mineralisation has been encountered in each of the five boreholes so far completed by Messina.

TV/Radio

† Indicates programme in black and white.

BBC 1

9.05 a.m. Barnaby. 9.15 Lassie's Rescue Rangers. 9.35 Champion for the King. †10.00 Keystone Hotel (Mack Sennett comedy). 10.15 Camp Runamuck. 10.40 Weather. 10.45 Trooping The Colour. 12.15 p.m. Cricket: The Prudential Cup, Australia v West Indies from The Oval and England v East Africa from Edgbaston.
1.00 Grandstand: 1.05 Rugby Union: Wellington v Scotland; 1.20 Power-Boat Racing from Bristol; 1.35, 2.05, 2.35 Racing from Bath; 1.50, 2.20, 2.50 Cricket: further coverage of matches in the Prudential Cup; 2.50 Show Jumping from Cardiff; 4.55 Final Score.
5.05 Tom and Jerry cartoons.
5.20 News.
†5.30 Sport/Regional News.
5.35 Sing A Song Of Emu.
6.00 Jim'll Fix It.
†6.35 Saturday Night At The Movies: "Guns of Darkness," starring David Niven and Leslie Caron.
8.15 The Black and White Minstrel Show.
9.00 Cannon.
9.50 News.
10.00 That's Life.
10.40 Moira starring Moira Anderson.
11.10 Eleventh Hour.
11.40 Grandstand Special.

All regions as BBC 1 except at the following times:
Scotland—†12.40 a.m. Scottish News Summary.
Northern Ireland—5.25-5.30 p.m. Northern Ireland News and Sport. 12.40 a.m. Northern Ireland News Headlines.

BBC 2

†7.40 a.m. Open University.
2.55 p.m. Saturday Cinema: "King of the Khyber Rifles," starring Tyrone Power.
4.30 Cricket: Prudential Cup, Australia v West Indies and England v East Africa.
6.50 Westminster.
7.20 News and Sport.
7.30 Trooping The Colour.
8.10 Looking For Clancy.
9.00 The Tribal Eye.
9.50 2nd House 2nd Run.
11.05 News on 2.
11.10 The Old Grey Whistle Test.
11.40 Film Night.
†12.05 a.m. Mid-night Movie: "The World Ten Times Over," starring Sylvia Syms and Edward Judd.

LONDON

9.00 a.m. The Unguarded Moment. 9.25 Play Guitar. 9.50 The Lone Ranger. 10.20 The Addams Family. 10.50 Junior Police Five. 11.05 Rock On With 45. 11.35 Tarzan.
12.30 p.m. World of Sport: 12.35 International Sports Special (part 1): UFA Gymnastics, European Boxing Championships, 1.10 News from ITN, followed by the Australian Pools Check; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from York; 1.45, 2.15 and 2.45 from Sandown; 3.10 International Sports Special (part 2) Soccer—The NAYC Cup Final from Wembley; 5.00 Results Service.
5.10 News from ITN.
5.20 Betty Boop.
5.30 New Faces.
6.30 Sale of the Century.
7.00 Big Adventure Film: "Friendly Persuasion," starring Gary Cooper, Dorothy McGuire and Anthony Perkins.
9.30 News.
9.45 Seven Faces of Woman.
10.45 The Best of Russell Harty.
11.30 The Collaborators.
12.30 a.m. The Inward Eye.

All ITV regions as London except at the following times:

ANGLIA

9.50 a.m. Woodbinda—Animal Doctor. 10.15 The Saturday Morning Film: "Green Grass of Wyoming," starring Peggy Cummins and Charles Coburn. 11.55 Cartoon. 12.00 The Woody Woodpecker Show. 5.20 p.m. New Faces. 6.20 Saturday Night Film: "Treasure of the Golden Condor," starring Cornel Wilde and Constance Smith. 8.00 Sale of the Century. 8.30 Special Branch. 9.45 The Essex Show. 10.15 The Saturday Late Film: "A Kiss Before Dying," starring Robert Wagner and Joanne Woodward. 12.00 World Children's Day.

ATV MIDLANDS

BORDER

CHANNEL

GRAMPIAN

GRANADA

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1 247m

RADIO 2 1,500m and VHF

RADIO 3 464m, Stereo & VHF

RADIO 4

BBC Radio London

London Broadcasting

Capital Radio

Your savings and investments

CTT saving on home annuities

BY ERIC SHORT

IN THE literature on the various Home Annuity plans, the methods in which income can be boosted are explained in some detail. But very little is said about the ultimate repayment of the mortgage, other than that it usually has to be made within six months of the death of the annuitant. Yet there can be a valuable saving in the amount repaid because of the impact of Capital Transfer Tax. This extra advantage was pointed out to me recently by a specialist broker in these schemes, Hinton and Wild (Insurance).

Consider the case of a man now aged 75 whose estate is valued at £100,000. The amount of CTT payable on transfer at death would be £28,250, resulting in the net value of the estate transferred being £71,750.

If he takes out a mortgage of £25,000 — the maximum on which tax relief can be claimed — and effects a home annuity plan, he can boost his net annual income by about £2,000 if he is a basic rate taxpayer. On his death, the £25,000 is repaid, reducing the value of his estate to £75,000. CTT on this amount would be £17,250 thus resulting in the net value of £57,750 being passed. So the repayment of the mortgage of £25,000 *has cost the estate* £14,000.

Thus there is a capital as well as an income advantage to the elderly in taking out a home annuity contract, providing the investor lives long enough—the justification for taking out any annuity contract.

A further development on this subject comes from Age Concern, England, one of the organisations representing the welfare of the retired. It is looking into the possibility of offering home annuity contracts on a charitable trust basis as part of a complete review of the housing problems of the elderly.

● UNIT-LINKED

Assets and Indices

EVER SINCE the Insurance Companies Act 1974 came into being, the Department of Trade has been issuing a stream of rules and regulations affecting the insurance industry, conventional and unit-linked. The latest batch sent out this week concerns the permissible assets and indices to which life policies can be linked.

The DoT appears to have implemented the recommendation of the Scott Committee that for linked schemes to be seen to operate fairly, the linking should be limited to assets for which it is possible to obtain a generally acceptable and reasonably reliable market value. So the DoT has identified four categories of assets currently used *in linking and specified the* permissible types for each category.

The categories concerned are equities, property, authorised unit trusts and various cash holdings. Equities are restricted to quoted securities in a wide range of territories, and property can also be held in several countries. But cash investments are limited to listed institutions.

As far as the current investor *is concerned the position is* unchanged. A quick survey has not revealed any contract being marketed that will have to be withdrawn. The main aim of these regulations appears to be to regularise the current position.

The criterion adopted seems to be that if the value of the underlying assets used can be measured with a fair degree of precision, then they are acceptable. Nothing has been done to protect the investor by specifically excluding speculative investments except fringe bank investment is now excluded, but he has to be able to count to the last penny how much he has lost. Indeed the view of the Scott Committee was that by providing accurate measurement of asset value the investor could judge *for himself* how *speculative is the quality of the* underlying investment.

What the new regulations will most likely achieve is to put a complete clamp on any new ideas for product innovation. *Indeed, Mr. Fred Richardson of* Abbey Life says that had these regulations been brought in 10 years ago there would have been no property bonds to-day. The unit-linked industry had tried in its discussions with the DoT to introduce a basket clause which would have enabled companies to have held assets, up to a small percentage limit, outside those listed. Companies would then be able to test out new ideas without materially affecting the security of the asset base and, if successful, have approached the DoT for changes in the amendment. However, the DoT thought otherwise.

The regulations do contain one anomaly in that authorised unit trusts will be able to hold equities that are debarred in a direct equity fund. One could have expected some degree of co-operation between the two divisions of the DoT.

Finally, for contracts linked to a specific index which has to be generally recognised and independently calculated, the regulations have specified the FT 30-Share and the FT-Actuaries.

● GILT EDGED

Switching

NOW THAT the referendum smoke screen has been dispersed, the economic picture can be seen more clearly and it is one of gloom. This has put sterling very much under pressure and there has been steady selling of gilt-edged stock—short, medium and long —for most of the week, *both on this weakness and on* profit-taking.

The outlook for gilt-edged stocks over the next month remains gloomy according to the analysts, with the market waiting *for some positive action,* not just tough talk, from the Government in dealing with the inflation problem. Until this happens, gilt-edged prices could remain depressed.

Holders of Savings 1965/75 stock however should seriously consider switching out of the stock now rather than wait until it is redeemed on August 15. For at that time there is likely to be heavy demand for other low-coupon short-dated stocks, since there is nearly £1bn. to be redeemed, most of it being held by high tax-paying individuals. The Government has recently issued two new tranches of *Treasury 3 per cent. 1977 and* Treasury 3 per cent. 1979 to provide an outlet for the Savings money, but the amounts involved are still insufficient to mop up these funds.

What to do now

BY CHRISTOPHER HILL

THE RUN-UP to the referendum was such an optimistic period for the stock market, that the aftermath has come as an anti-climax. My prior (and stated) view was that if there was a "yes" vote the stock market might slip and if there was a "no" vote it might slip even more. But the points fall in the F.T. Ordinary Index has been sufficient to make many people nervous, especially when accompanied by further pressure on sterling. The question now is what to do and I am afraid that one of the problems at the moment is the lack of sucient alternatives to the U.K. stock market which appear to give a sporting chance of keeping pace with inflation.

For the record, a ring round *of unit trusts with* U.K. orientated unit trusts revealed that investment managers are keeping a stiff upper lip about the situation and appear to be taking the view that this is just another bounce *in the* rough ride of a bull market. But there appears to be a shadow of doubt lurking behind the scenes and one cannot help feeling that—having got into a fairly fully invested position (with more money coming in)—they now have little alternative but to justify the stance they have taken.

One said that the market was *really at the mercy of the U.K.* Government's next move and another—who was comfortably invested in Japanese stocks—said that he had been unloading stock in the U.K. because he felt *that the volatility of the market* was reaching "banana republic" proportions. But this again has to be treated with a certain suspicion and perhaps the most encouraging feature for the U.K. *stock market that I have* seen this week is National Westminster's announcement that it is shortly about to add to its range of unit trusts.

This still leaves bullion *gold as the most obvious* alternative to equities, if one is not prepared to take an inevitable loss on fixed interest investments. Anyone in the standard rate tax bracket and *above is now bound to lose in* banks, building societies or local authority loans if inflation is the yardstick to be used.

The premium on krugerrands suffered a sharp setback on *Wednesday but bounced back to* 15 per cent. on Thursday when dealers reported that there was a good deal of active trading. This still leaves krugerrands as an obvious hedge if one has doubts about the moderates' ability to win the day in the U.K.

But, of course, all the pundits tend to say that gold is on an obvious downtrend at the moment and that stocks and shares are in the ascendant. Moreover, there is an obvious cloud over the gold market at the moment in the shape of the second sale of gold by U.S. Treasury amounting to 500,000 ounces. Following the miserable reception given to the last gold sale in January, one cannot be optimistic, but—just as "cheap" wine sales sometimes do not turn out to be cheap—so *I cannot help feeling that the* U.S. gold sale might not be such a dampener because this time people have been forewarned and feel that bargains are around.

Hedging in the high dollar investment trusts

BY CHRISTOPHER HILL

WHEN I wrote about investment trusts last April I mentioned the *vulnerability of many trusts* with a high percentage of overseas assets to the then level of the dollar premium. This exposure amounted to 31 per cent. of net asset value in the case of Scottish United *and over 20 per* cent. for a number of others: and the point was made that perhaps investment trusts were unwise to repay their overseas loans at that time. The effect of loans is to reduce the premium exposure although it increases the risk of losing on currency fluctuations.

With the premium standing at over 100 per cent. in April this seemed excellent logic and, indeed, it is supported to some extent by the recent annual review of investment trusts by brokers Capel-Cure Myers which speculates on whether the time is right for further borrowing of currencies.

But, with the exception of various trusts in the Gartmore group, there has not been a general rush to take on new loans (once bitten, twice shy) and like a lot of logical warnings, *my predictions back in* April do not seem to have been proved right yet.

The premium has fallen over the past fortnight but staged a comeback on Wednesday as a *result of fresh currency fears.* So although asset values may have been affected by the overall fall in the premium, share prices do not appear to have suffered.

The strain has been taken up by the discounts which have narrowed to an average of around 13 per cent. where the 60 or so dollar trusts are concerned. In the case of Alliance Trust it is 10 per cent. compared with the *23 per cent. of its net asset value* represented by the premium.

With high dollar trusts still standing at below-average discounts compared to the overall average of 22 per cent., the *situation is that while institu*tional investors may not be eager to buy at current prices they are not keen to sell either. The general consensus seems to be that, whatever the short-term outlook for the shares, trusts with a content in North America are still worth holding in view of the uncertain outlook for U.K. industry and the possibility of a continuing weak exchange rate for sterling.

Investors in high-dollar trusts are obviously hoping to "make" on the exchange rate effects on the underlying portfolios and the record since 1950—when the *investment currency premium* was first imposed—is that trusts which have consistently invested through the premium have probably done well as a result. Of course there would have been *some bad patches on the way.* But since 1963 when the first dollar loan was raised by British Assets, the history of investing through loan facilities has not been a particularly happy one since relatively few trusts have managed to read the omens correctly.

The point is illustrated by some examples in Capel-Cure Myers' year-book which are worth repeating due to the *contrast in results.*

Example A:

	% change in value to Dec.
1—Raise $US loan Dec. 1963 for investment in U.S.	+3
2—Invest in U.S. through premium currency	+57
3—Have loan facility and utilise to maximum advantage. Raise May, 1968, repay April 1971, raise Feb., 1972, repay March, 1973	+538

Example B

1—Raise $U.S. loan Feb., 1972 for investment in U.S.	−27
Raise U.S. loan Feb., 1972 for investment in Japan	+46
Raise SF loan Feb., 1973 for investment in Europe	+33
Raise DM loan Feb., 1972 for investment in Europe	+15
2—Investment Feb., 1972 through investment currency in U.S. ($)	−9
Japan ($)	+83
Europe (SF)	+67
Europe (DM)	+44

The missing link in this chain seems to be the fatal mistake of borrowing Swiss Francs in 1972 to invest in the U.S.A.—which would have shown some nasty results. But Capel Cure missed this one out on the charitable grounds that the Swiss Franc loans only really got going during 1972 because of the extremely low costs—2 or 3 per cent. at the time.

However, the examples shown are enough to indicate that—with hindsight—the maximum advantage for a trust is gained with a loan facility that can be used when the premium is in a downtrend and then repaid with *a switch to premium currency* when the premium is in an uptrend.

Example A illustrates this clearly and example B rams home the point about timing, for February 1972 was not only the point at which many loans were raised but also coincided with a premium peak (though a long way below the recent peak).

Not all trusts *have mis*matched their loans but I do not know of any trust whose performance reflects the manipulation of loans and premium currency to its best advantage over the past five years. What does seem to be happening at the moment, however, is a good deal of soul-searching among many investment trust company chairman about the future of investment trusts. The major preoccupation has been with high discounts (around 45 per cent. on average at the bottom of the U.K. market), but this is probably fading now that they have virtually halved since the *beginning of the year.*

Capel-Cure Myers appears to be cautiously interpreting this self-examination by the trusts as the beginnings of a "wind of change," but my reading of investment trust reports suggests that the majority of chairmen have very little to say to their shareholders apart from generally railing on about the Government, the unions and the dismal economic situation. "Floundering around" would perhaps be a better description of the general position.

The most useful suggestion I have seen was from Mr. Vickers of "Investing in Success" who suggested that limited marketability was one of the causes of investment trusts' deterioration in market rating and proposed an over-the-counter market. Alternatively, he proposed that trusts should be able to buy in their own shares, or make themselves open-ended while retaining borrowing powers.

All this may seem rather churlish criticism in view of the *remarkable recovery by invest*ment trusts this year, but one must admit that improvement in the market has been the essential factor and a sustained downturn would produce fresh wails of despond. And the plight for smaller trusts is of particular concern, for they are mostly not able to raise any new money; are on above-average discounts because they are too small to attract institutional money; and are not really justifying their existences in any way.

Alliance investment

Referring to a particular trust report which arrived this week, Alliance Investment Company (part of the F. and C. Management group) was interesting on two counts. The first is that—following in the recent foot*steps of Globe—it applies infla*tion-accounting to its net asset values and earnings per ordinary share. The results are that although the net asset value appears to be back to where it was in 1974, an inflation adjustment reveals that there was an effective drop from 211p to 173p. Similarly, while the earnings per share have risen from 3.94p to 4.03p, the effective drop is from 5.24p to 4.60p.

The brokers who specialise in investment trusts are not particularly impressed with inflation-accounting where trusts are concerned (investment trusts have no plant, etc., to replace) and more eyebrows were raised by Alliance Investment's proposals to put a limit on directors' fees. Inevitably this means that the fees are liable to be raised and Alliance Investment is proposing a *£25,000 per annum limit in any* year without the consent of the company in general meeting. Basically directors' fees are those which are payable to part-time non-executive directors. I have often wondered what the function of non-executive directors is in relation to investment trusts and what the qualifications for the job are—perhaps this is a situation where an element of job evaluation would not be amiss!

One interesting aspect of charges so far as investment trusts are concerned is that—unlike unit trusts—there is no regulation of permissible limits by the DoT. *Looking* at Alliance Investment's charges, they already appear to be approaching the level of unit trusts' (according to the chart in Wood Mackenzie's annual *review) and charges are a* matter upon which shareholders should keep a watchful eye.

Perhaps the final word on investment trusts at the present time is that they do seem to be looked upon as a devaluation hedge under current conditions as alternatives to the general run of shares with "high overseas earnings and assets." So future investors ought to view the field in this context.

C. H. JOHNSON & SONS LTD.

In the advertisement of the extracts from the Chairman's Statement published on the 12th June, it was wrongly stated that exports had increased from 465,00 in 1970 to 1,248,000 in 1974. The figure should have read, 465,000.

Finance and the family

Capital gains and a mortgage

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

In 1973 I sold some land for housing. One of the conditions for obtaining planning approval to develop the land was that I should demolish a building and replace by another. Can I set the cost of this operation against capital gains tax? The purchasers of the land have defaulted on their mortgage interest payments so it seems I shall have to foreclose on my mortgage. What would be my capital gains tax position if I resell at a loss, or at a profit?

We think that you would be able to deduct the cost of complying with the conditions attached to your planning consent if those conditions have been or will be in fact complied with. The resale which you effect as mortgagee will have no bearing on the capital gains tax payable by you. If you resell at a profit you must account to the mortgagor for the balance after redeeming your mortgage; and if there is a loss you still have your contractual claim for the balance of the mortgage money.

A furnished letting

I have let my house furnished but have been told I cannot increase the rent though the tenant is willing to pay more. What please is the position now and what can I do?

The rent "freeze" has now ended in respect of residential premises. The controls on rent now in force are those of the Rent Act 1968 as applied to furnished lettings by the Rent Act 1974, and the Housing Rents and Subsidies Act 1975. If the present rent is not registered, you can enter into a new rental agreement with your tenant, but that is of course subject to the right of either party to apply to the Rent Officer for registration of a fair rent: that is, the tenant could subsequently seek a reduction by having a rent registered. Until that is done you can lawfully accept the higher rent. If the present rent is registered, you cannot increase the rent without having a higher rent registered, which will not be open to you until three years from the registration. As yours is a furnished letting the three years cannot have elapsed because registration of furnished rents only became possible in August, 1974.

Commuted pension

What determines the multiplying factor of the amount of pension commuted, in the case of lump sums taken by a pensioner on retirement?

The relationship between the annual amount of pension foregone and the lump-sum commutation payment is determined on an actuarial basis, having regard to the pensioner's life expectancy, etc.

Deed of release

A covenant in my deeds forbids the erection of another house, for which I have planning consent, in my garden. My neighbour has the sole benefit of the covenant. He wrote me a letter saying he had agreed to release the covenant to me, and a letter to his solicitor, which I forwarded, asking him to draw up the necessary documents. Since then, he has failed to co-operate. Can I force him to do so?

You can only force your neighbour to honour his undertaking to enter into a deed of release if he contracted so to do, i.e. if you paid him something or gave him some other "consideration" for the release. Otherwise you can rely on the written waiver so far only as the covenantee does not resile from it. If you obtained his consent before making your planning application he may be stopped from enforcing the covenant against you.

Landlord's access to flat

My landlord asked for access to my flat for their surveyor and solicitor. I gave this, but made a mistake as to the date, and they were unable to gain access, so I fixed another day. They are now claiming expenses in respect of the abortive visit. Can they do this? Can they make inspections without giving any reason?

We can see no basis on which your landlords can make the claim for expenses for the abortive visit, and we think that you should refuse to pay any part of the claim. Your landlords are entitled to reasonable access to inspect for the purpose of fulfilling their repairing obligations—any further right would depend on whether there are express provisions in your lease. We think that you can now properly refuse further access (except for the purpose of carrying out repairs) without full information as to the purpose of any proposed visit.

Deferred annuity

Referring to your reply of March 15 under the heading Tax position of an annuity, I have a South African deferred annuity bought with a single premium due to reach maturity shortly, as to which there is a cash option. What, please, is my position as a higher-rate taxpayer domiciled in the U.K.?

As your deferred annuity was bought in 1964, there will be no tax payable by you when it matures, provided that you are the original beneficial owner.

Retirement to U.K.

Referring to your reply of February 22 under the heading Retirement to the U.K., what please is the position of a German resident in the U.K. who receives a German social security pension? Is he in the same position as the U.S. citizen you quoted and therefore subject to U.K. tax?

Yes, the German social security pension is taxable only in the U.K. as to 90 per cent. of the pension arising if the recipient is U.K. resident (article x of the current Anglo-German double taxation convention). However, if the recipient is not domiciled in the U.K. he would be charged to U.K. tax only on amounts remitted.

An annuity and tax

In 1972 I took out an annuity, and at the same time an insurance on my life in favour of my children (not my husband). This was to be free of duty. Is this still the case, in view of recent legislation?

Without fuller particulars of the terms of the contract for payment of the annuity and of the insurance, we can only offer tentative advice. However, the provisions as to Capital Transfer Tax (to which we assume you to refer) should not adversely affect such provision.

U.K. income and Spanish residence

(a) Your item "U.K. Income and Spanish residence" (March 22) infers that there is no statutory requirement for a resident in Spain who is in receipt of income from the U.K. to make a return to the U.K. Inland Revenue. Will you please confirm that this is so? Before I left the U.K. I think it was Sections 19 and 20, ITA 1952, required any person who received income arising in the U.K. to make a statutory return of income to the Inland Revenue, but it may be that these statutes no longer exist.

(b) Will you please confirm that with the introduction of Capital Transfer Tax, provision has been made to exempt from the Tax "exempt gilts" in the ownership of non-U.K. residents?

(c) Will you please let me know how Capital Transfer Tax applies to estate in the U.K. which I might leave to my wife or my wife might leave to me, neither of us being U.K. domiciled?

(a) The provisions in the Income Tax Act 1952 have been superseded by section 7 of the Taxes Management Act 1970, as amended. Whilst the construction of statutes is in the last resort a matter for the Courts, the wording of section 7 appears to carry an implicit territorial limitation, so as to apply only to persons within the jurisdiction of the English, Northern Irish or Scottish Courts.

(b) Paragraph 3 of schedule 7 to the Finance Act 1975 excludes from capital transfer tax exempt gilts (under s.22, F(No. 2) A 1931, etc.) beneficially owned by persons neither ordinarily resident nor domiciled in the U.K. In this answer, the phrase "domiciled in the U.K." is used in its ordinary sense (in contrast to the answer below).

(c) Where neither spouse is domiciled in the U.K., a transfer of value (whether during life or on death) is exempt from capital transfer tax to the extent that the value of the estate of the transferor's spouse is increased. It is only where one spouse is domiciled in the U.K. but the other is domiciled elsewhere that complex restrictions apply, under paragraph 1 (2 and 3) of schedule 6 to the Finance Act 1975. In this answer, the phrase "domiciled in the U.K." is used in the extended sense set out in section 45 of the Act, but none of the extended meanings of the phrase appears to apply either to your or to your wife, from the details given in your letter. As you may not have kept up with the changes in the U.K. general law since leaving this country, perhaps we should explain that the old rule which tied a married woman's domicile to her husband's was substantially modified by the Domicile and Matrimonial Proceedings Act 1973, with effect from January 1, 1974.

Insurance

Medical expense cover

BY JOHN PHILIP

HAVING UNEXPECTEDLY suffered a very unpleasant stomach upset shortly after Easter, in recent weeks I have been going the rounds of the medical experts from my own doctor, via X-rays eventually and regrettably to the consultant surgeon. All of which has once again drawn my attention to the very different standards of service provided by the N.H.S. and private medicine.

Towards the end of April my doctor recommended X-ray—not as a matter of urgency but in his view "desirable in the next month or so." The county hospital told me that the earliest date could be September—while the local "Nuffield" offered me facilities the day following my telephone call, facilities which I gladly accepted with the financial assistance of my private medical insurance.

With the X-ray verdict, as I had expected, unfavourable, the next question was whether I should plan for private surgery or again try my luck with the state scheme: at the time of writing this is an open question still—much will depend on the likely waiting period for me as a N.H. patient at a London teaching hospital.

Open question

If that period proves to be too long, the question then is how much will private treatment cost me over and above the benefits payable by my medical policy—for this year's price inflation has now substantially outpaced the cover I have bought. And this point is one that anyone subscribing to a medical scheme must watch carefully—for quite clearly once a claim is, so to speak, in the pipeline, it is not possible to ask one's insurers to increase the level of cover.

The cost of private beds in NHS hospitals was raised by 50 per cent. from April 1—the cost of a bed in a London teaching hospital is now £37.10 a day, in a provincial teaching hospital £31.20 a day and in a general hospital £26.80 a day. Curiously enough these price changes have left Nuffield Nursing Homes Trust at the bottom end of the price scale—but the cost of the nursing pay awards made in the spring will undoubtedly force a price revision upon Nuffield soon.

From the personal aspect these charges leave a minimum unsatisfactory gap of some £30 a week between what my medical insurance will pay and what I will have to find—and I emphasise minimum, because these charges are for beds only and do not—certainly in the case of Nuffield nursing homes, and other privately run establishments—cover, for example, the cost of the use of the operating theatre, for which a separate charge is made.

Quite apart from having to make a personal contribution to the hospital or nursing home charges, it seems to me likely that I should be short on cover for the surgeon's and anaesthetist's fees, because these are rising fast also—though I am told that many surgeons still fix their fees to their private patient's known insurance cover. So perhaps if one is a little short on cover it is well to say so straightaway!

Enough of my own troubles—my short point is that benefits which seemed likely to be adequate for another year less than 12 months ago, have now fallen behind reality—and the luxury of private surgery, choosing my own time and place, may cost me up to £200 in addition to the not inconsiderable premium I have paid for my insurance.

The provident associations have lost no time in adjusting to the latest changes: for example BUPA, the largest of the private medical insurers, raised its benefit and premiums sights in April to accommodate the charges made by the state hospitals. BUPA's top level of hospital benefit now runs to £259 a week and of course BUPA, like the other associations, covers a whole range of surgical and medical fees in addition: the BUPA policyholder amalgamates his cover from two distinct sets of tables of benefit, the one covering hospital charges, the other covering fees, and within these tables decides what combination of benefits he will buy.

He pays premium partly in relation to this choice, partly in relation to the number of people insured, partly in relation to his age. The family man wanting to cover himself, wife and children for the BUPA maximum will now have to pay premium of £146.90 if he is under 29, £171.65 if he is in the 30-49 age bracket, and £241.30 if he is 50 plus, so this cover is by no means inexpensive—but if he economises on premium the policy-holder may have to make up shortage of cover with his own hard cash when the time comes.

One way to cut the cost of premiums is not to go it alone, but to join a group scheme—BUPA and the other provident associations, Private Patients Plan and Western Provident Association all give group discounts, perhaps by up to 20 per cent., and even more for really large groups.

These discounts are made possible partly from administrative savings (though these cannot be great, because the provident associations reckon to spend above 90 per cent. of premiums in claims), partly from a better spread of risk and the partial elimination of what insurers call "selection against them" by lower than average risks—in this context by people of less than normal good health.

All the provident associations, while emphasising the need to purchase adequate cover, recognise that the escalation of premiums necessary to support that cover is likely more and more to inhibit the individual purchaser. Particularly is this so when so much noise is being made about the closure of pay beds in state hospitals. But at best there were some 4,000 such beds and statistics show that they were scarcely ever fully taken up: the provident associations have reckoned that for their present membership perhaps some 2,000 more private nursing home beds need to be found to replace the state beds being lost.

On the group side a minor tax blow has been struck in this year's Finance Bill: many employees' schemes are run wholly or partly by funds provided by employers: for the future it seems that each employee in such a scheme will have added to his income for tax purposes the relative amount of premium. Which perhaps is only fair—for the citizen who buys medical expenses cover out of his own income gets no tax relief on the premiums he pays.

CHESS SOLUTIONS

Solution to Position No. 66

1 B-B4! P-B3 (if QxB; 2 Q-K8 ch mates, while if NxQ; 2 R-Q8 ch, K-R2; 3 R-R8 mate); 2 RxN! QxB (White also wins after 2 . . . PxR; 3 Q-K8 ch, R-B1; 4 BxP ch, or 2 . . ., B-K3; 3 R-Q4!); 3 Q-K8 ch, and Black resigned.

Solution to Problem No. 66

1 B-N5, R-KB2 (taking away this square from the knight); 2 B-B4, N-B3 (blocking the QB file to the rook); 3 B-Q2, any move; 4 B-B3 mate.

CAREERS AND EDUCATION

Myth, counter-myth, and Mr. Mulley

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

ON BECOMING Minister of Transport in 1969 Mr. Fred Mulley opened his first official Press conference with the words: "Everyone in this room knows more about transport than I do."

I am ready to offer high odds against his repeating this disarming formula when he first meets reporters in his new role as Secretary for Education and Science. Admitting ignorance about education is something which is simply not done by people who remember their own education as a helpful experience. Whether they have given any deep thought to the topic or—as in most instances—not, they seem to assume that having passed fairly successfully through the educational process, they have somehow been imbued with a sufficient *knowledge about it. And few* people have passed through the process with greater triumph than Mr. Mulley.

Born a labourer's son in Leamington nearly 57 years ago, he won a scholarship to Warwick School and then left to work as a clerk with the local National Health Insurance Committee. When the Second World War came, he joined the army, was taken prisoner in 1940 and not released until 1945. While a prisoner of war he took up his studies again, well enough to qualify for a BSc in economics and as a chartered secretary.

In 1945 he gained an adult scholarship to Christ Church, Oxford, and in 1947 took first-class honours in philosophy, politics and economics. Then followed research at Nuffield College, a fellowship in economics at St. Catherine's College, Cambridge, and legal study. He was called to the bar in 1954. And so on.

In the case of Fred Mulley, therefore, education has enabled him to progress from working-class birth to an esteemed and presumably satisfying career. Although, not knowing him, I cannot be certain, it seems likely that this has affected him in much the same way as similar personal success in education has affected some other prominent Labour politicians. Because of their own experience, they just "know" that an essential means of promoting equality for the less-well-off majority of children is to make a priority of spending vast sums of public money on enlarging educational opportunity.

If Mr. Mulley holds the belief that what education has done for an individual such as himself, it can do for everybody; and if he proceeds Ministerially in accordance with it, the result will be unfortunate. It will lead him to ignore one of the precious few opportunities inherent in this country's economic problems, which is to bring the public to accept that in education, as in all other public services, there is no point in investing taxpayers' money unless the nation is going to benefit by it.

Now is a prime time for our political leaders to drive home the fact that the education system is little more than a machine with definitely limited functions: on the evidence so far, it is not an effective device for producing social equality or economic growth, nor can it yet even guarantee that every normally endowed child leaves school able to read, write and number. Instead of leading a public information campaign of this sort, however, the new Education Secretary will all too probably continue to represent the education system as a worker of miracles, which automatically justifies every penny spent on it.

The Education Secretary's liability to do this will be increased by the knowledge that it will gain him vocal—if not entirely scrupulous—allies within the teaching profession.

Superficial

Take for example the leaflet sent to MPs, local councillors, trades unions and other "influential people" this week by the Council for Educational Advance, which shares offices with the National Union of Teachers. Entitled "Education cuts—who pays?" the leaflet relies on the *sort of tendentious superficial* arguments which suggest that the education of its authors and of the people they convince must have failed to develop their critical faculties.

"When a family is hard up, good parents see to it that the children are the last to suffer," the pamphlet starts, "but when the country hits an economic crisis the first target for economy cuts is the education of our children. This cutback is false economy, because the money spent on our children's education represents an investment in them and in our country's future."

The authors then plunge into a recital of the awful things which recent Governments of both parties have done to the educational trade's expectations of more and more money for all its activities. They exhort the populace to unite in *strengthening* the band of "councillors and ministers fighting for a bigger slice of the cake for education."

The message ends:

"Show parents how cuts can affect the future of their children by reducing their opportunities—make *everyone* in your area aware that cheap education cheats our children. Don't be bedazzled by complicated economic arguments; if you are convinced that education is an absolute priority, then come forward and add your voice to the many who are already saying so."

This pamphlet (which, by the way, names Mr. Reg Prentice among the child-depriving fraternity) is evidence enough that if the new Education Secretary takes a lead in promoting the national interest where educational expenditure is concerned, he will straightway be anathematised as the reincarnation of Herod. It might well be too much to expect any career politician to set about dispelling the great educational myth in the face of such organised enmity. Even so, there are now distinct signs that an attempt to inject some hard-headed sense into the situation would gain support from influential quarters up and down the country.

The publication of the Council for Educational Advance's diatribe coincided with the appearance of a weekly newspaper called Public Service and Local Government Appointments which printed on its front page extracts from interviews with two high-ranking local authority administrators.

They are Mr. Malcolm Bains, former county clerk of Kent, and Mr. Terence Musgrave, who is soon to become chief executive of the London Borough of Bexley. Both of them attacked the education service—which accounts for about 60 per cent. of local authorities' spending—for its refusal to submit to normal management processes. In particular, the educators spurned the idea of defining objectives for themselves.

Objectives

Mr. Bains declared that when he had raised the matter of setting objectives, he had received "a most nasty and stony reception from the education world: that I shouldn't dabble in things which were not my business."

Mr. Musgrave described education as "a sacred cow" which it was almost taboo to talk about critically.

"If I said, for example, that a 10 per cent. reduction in teachers would give a sufficient saving to make a 50 per cent. expansion of leisure and social services, that wouldn't be contemplated politically," he added. But with a teacher-pupil ratio of one to 26, a 10 per cent. reduction would take it to one to 28. "I don't think that would be a substantial deterioration in service. But a 50 per cent. increase in social work and leisure is a noticeable improvement."

That, since it begs the question of whether the extra spending on social and leisure services would be needed by or effectively beneficial to the consuming public, is also a superficial argument. But it strikes me as a promising counter-myth to "educational-expenditure-works-miracles." I hope against hope that Mr. Mulley will use it as such.

Gardening

Trying to keep the roses blooming

BY A. G. L. HELLYER

IN SHELTERED places and where early varieties have been planted, there are already roses and in a week or so they will be joined by all the bewildering variety of modern hybrids.

A few years ago it really began to look as if rose breeders were running out of ideas and simply repeating ad infinitum the forms and colours they had given us before.

Then, quite suddenly, came a cluster of new varieties including more interesting and varied miniatures, a race of compact roses (some growers wanted to call them Compactas in line with the popular Floribundas which are similar in flower but taller in growth, a temptation which has so far been resisted) and novel colour combinations such as the blotched scarlet and white of Picasso and its relations.

Climbers

There has also been a notable development of climbers as well as of fairly tall bushy roses which can be used as backgrounds, screens or hedges. Some, such as yellow and red Joseph's Coat, are not new but are enjoying a new publicity and popularity as gardeners discover how easy they are to grow.

Others, such as golden yellow Gardener's Sunday, are quite new and have still to make their mark with the public.

Gardener's Sunday will be on sale this autumn for the first time and has been named and introduced for the charity which cares for old gardeners, their wives and widows.

It is a rose which seems to flower particularly well in the autumn for when I visited the Royal National Rose Society's trial ground rather late in 1973 I picked it out at a distance as the brightest patch of colour at that season and I received a similar impression when I first saw it in the raiser's nursery at about the same time.

Like so many of these new, vigorous cluster flowered roses it seems exceptionally disease free though one must always be a little cautious when assessing roses in this respect until they have been widely distributed as there appear to be different strains of some diseases in different parts of th. country, so that varieties which prove resistant in one place may be susceptible in another.

However, I was one of those who selected this cheerful yellow rose for the charity and I did so because I thought it showed great promise.

Roses are sometimes divided into once blooming and perpetual flowering groups but in fact no rose really continues to flower full pelt from June to October.

Recurrent is an alternative and better term for it describes what really happens which is that blooms are produced in a series of crops or flushes with perhaps just a few flowers to bridge the gaps between one and another.

Since roses flower on young growth the rapidity of recurrence depends upon the speed with which new shoots are produced. Though this is primarily an inherited characteristic dependent on the parentage of the rose, it can be helped or hindered by treatment.

Prompt removal of faded flowers and light pruning after each flowering to good growth buds or, if they already exist, to new shoots will all hasten the new crop.

Six crops

Commercial growers of glasshouse roses for the cut flower trade perform this kind of pruning in the act of cutting the blooms with the long stems required by florists. In warm sunny countries where growth can continue most of the year I believe as many as six crops are obtained. Most British rose lovers are quite content with two major flushes plus a fairly liberal scattering of blooms between or after.

Last winter, thanks to the exceptional weather, I had some roses in bloom until January, one of the most persistent and prolific being a newcomer which came to me under the raiser's code number and I believe has not yet been named.

It is typical of what breeders are looking for because they know that it is what the rose growing public wants. Incidentally, it is interesting to note the way in which colours pale as the days grow shorter and the nights lengthen—just one more proof that sunlight is essential for the full development of colour. This applies to a lot of things besides roses.

Summer pruning helps to encourage continuity because it concentrates the plant's energy where it does most good. But energy itself is dependent on an adequate and readily available food supply and plenty of water.

Now, as the roses are coming into first bloom, is the time to give some more fertiliser to help the second crop and if the weather should continue dry, as it is at the time of writing, now is also the time to water provided it can be done generously. But it is better not to water at all than to do so inadequately since this will simply encourage plants to make roots near the surface where they will be destroyed in any really hot weather.

There is no point in pruning, feeding and watering for new growth and then leaving it to be crippled by pests and diseases. As summer passes into autumn it becomes increasingly difficult to keep some rose varieties clear of mildew, a crippling and disfiguring disease if ever there was one.

Sprays

Fortunately there are now plenty of anti-mildew sprays including surface protectants such as dinocap, maneb and thiram and new systemic eradicants such as benomyl, triforine and chloraniformethan. There does seem to be some evidence, however, that too heavy or frequent application of systemics can encourage the emergence of resistant strains of the disease so the wise course is to ring the changes on two or more chemicals.

Economic Diary

NATIONAL Economic Development Council meets on Tuesday under the chairmanship of the Prime Minister.

Other events and statistics next week include:

MONDAY—Meeting of the European Economic Community Finance Ministers in Luxembourg. Retail trade (May—provisional). Turnover of catering trades (April).

TUESDAY—Index of industrial production (April).

WEDNESDAY—Mr. Len Murray, general secretary of the TUC, addresses British Institute of Management conference, London Hilton. Monthly council meeting of the Confederation of British Industry. Mr. Knut Frydenlund, Norwegian Foreign Minister, on one-day visit to the U.K. Basic rates of wages and normal weekly hours (end-May). Monthly index of average earnings (April).

THURSDAY—Provisional unemployment figures (June). Car and commercial vehicle production (May—final).

FRIDAY—Bank of England quarterly Bulletin will include U.K. banking and money stock statistics. New vehicle registrations (May). Finished steel consumption and stocks (1st quarter—final). Gross domestic product (1st quarter—provisional). Trade and Industry publication contains sales and orders in the engineering (March).

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Motoring

An Allegro Estate

BY JAMES ENSOR

IT HAS ALWAYS been a puzzle to me why British Leyland should take so long before adding estate versions to its cars. Personally I feel that Renault, and now of course Volkswagen, have taken the right line in introducing virtually all their small cars with a rear door as standard.

Leyland did this with the Maxi, but the early failure of that model—it has since done better—evidently convinced the Austin-Morris hierarchy of the time that saloons were the order of the day. Thus neither the Marina nor the Allegro, nor the new 18/22, were introduced with a rear door; and estate versions were brought out only many months later.

The estate version of the Allegro has now duly appeared, and it should help to boost the fortunes of what has, so far, been only a partially successful design. The stylists have tried quite hard to break away from the traditional small estate car format and the Allegro Estate, with its long upswept rear window and vented rear quarter, looks a more complete design than many of its rivals.

A number of other small improvements have been made to the estate, and will obviously be incorporated in the saloons, too, in time. The controversial quartic steering wheel, which has proved on balance more of a detriment to sales than an enhancement, has gone. It has been replaced by a simple, cheap plastic wheel of conventional round shape, which I certainly find preferable.

The rear door lifts easily on its torsionally balanced springs to reveal a flat, square load-space with very little intrusion from wheel arches or suspension members. The rear window is fitted, as standard, with a wiper and electric washer — a very necessary item on estate cars, but one normally only offered on expensive two litre models.

The Allegro Estate is offered only with the 1300 cc engine of the old Austin 1300, or the 1500 cc engine from the Maxi. With the latter and a five speed gearbox, the performance is adequate, the handling good and the ride soft, if a little bouncy. The gearbox is a little stiffer and more notchy than on some of its small estate rivals, particularly Ford and the Japanese who are good on this score, but cruising in fifth is very relaxed.

The luggage carrying capacity of 53 cubic feet, with the rear seats folded forward, is good for a car only 13 foot long and I would hazard a guess that the Allegro will carry as much bulk as any estate car, bar the very long Peugeot and Volvo designs.

The seats, which in the 1500 version, have brushed nylon centre panels, are quite comfortable, without being as soft as those fitted to the small Renault estates. The instruments, set in a binnacle in front of the driver, are clear but rather limited: while the major controls set on stalks on the steering column are well-planned.

With a price of £1,976 for the 1500 version, the Allegro has moved squarely into the £2,000 class once delivery, seat-belts, road tax and all the other extras have been paid. This price really puts in perspective Vauxhall's £1,650 price tag for the Chevette L and I suppose sets the level that we will have to become accustomed to for small, three door cars.

Nevertheless, this price tag puts the Allegro Estate in the same class as the Maxi, and makes it rather more costly than such excellent rivals as the Renault 12 Estate and the Volkswagen Golf. The 1300 version, too, at £1,880 is more expensive than the cheapest, conventional estate cars such as the Ford Escort, Vauxhall Viva or Datsun Violet estates. This is clearly in keeping with the aim of improving the comfort and quality of Austin-Morris cars and moving their prices steadily up the scale.

But in order to justify these price levels, one would like to see a litle more work done on the seating arrangements, perhaps some fuller instrumentation, stronger headlamps and all the other little things which distinguish a quality car from a cheap one.

As it stands, the Allegro Estate falls into a little niche of the market with cars like Citroen GS Estate and the Peugeot 204 Estate, being more expensive than the most basic products from Ford, Fiat, Vauxhall or Datsun. But I am not entirely convinced that it yet has the refinement and comfort to match such a status.

Golf

Men with charisma

BY BEN WRIGHT

NEW YORK, June 12.

THE ESSENTIAL ingredients that go into the make-up of a true world champion are likely to be revealed here on Sunday when Pele, the 34-year-old Brazilian soccer idol, first parades his athletic genius before a hitherto decidedly lukewarm audience.

Exactly a week later on the outskirts of Chicago, when the 1975 U.S. Open Golf champion emerges from the pack competing for that coveted title over the number three course of the Medinah Country Club—which has four courses in all—these magic ingredients will be witnessed again by a massive television audience.

If that champion happens to be the defender, Hale Irwin, or 44-year-old Gene Littler, as it could very well be on current form, the reaction will be as unenthusiastic as it has been for soccer here until Pele burst upon this frenetic city on Tuesday to sign a contract which over the next three years will make him one of the highest paid athletes in history.

Undignified

The attendant Press conference to herald Pele's arrival was so over-crowded that at times it degenerated into a decidedly undignified brawl between Press photographers and television cameramen. On Pele's departure the huge crowd swirling around in the street below straining for a glimpse of the bewildered Brazilian, quickly brought traffic to a standstill in the area.

If Jack Nicklause, Arnold Palmer, or perhaps Gary Player or Johnny Miller happens to win the U.S. Open, the reception is likely to be as wildly ecstatic. The word and the ingredient that is a major part of the make-up of Pele and this quartet of super golfers is much overworked and in my opinion over-rated, namely "charisma." It is fast becoming by far the most important ingredient, as professional sport goes ever more commercial, and images must be created so that their owners can be properly marketed.

The tragedy of it all is that the bespectacled Irwin—the first U.S. Open champion in history to wear spectacles—and Littler, whose pale, craggy features are almost always hidden beneath the long peak of his white jockey cap, are not charismatic in the accepted sense of the word.

The fact that they are both absolutely superb golfers, devoted family men, and two of the most likeable and gentlemanly characters in an increasingly violent and spoiled sporting world, is just not enough for a society starved of leaders and idols, and living unrewarding lives over-crowded by grey clouds of mediocrity.

Irwin has failed utterly to catch the public imagination, which neither mystifies nor worries him. But it has certainly hurt his bank balance. Yet both he and Littler have won tournaments in recent weeks in Atlanta and Memphis respectively by four and five strokes—going away in racing parlance—from their nearest rivals.

Neither man failed to break 70 in either event, golf of a quality unhappily rarely matched these sad days in Britain and Europe. Both men are enjoying potentially their best-ever seasons, but the image-makers will be praying that neither wins at Medinah.

Perfection

Irwin is plainly the best long iron and fairway wood player in the world to-day. Pat Summerall, a commentating colleague and a genuine six handicap golfer, played alongside Irwin in the Pro-Am at Atlanta, and himself broke 80 without ever contributing to the team's score. Apparently Irwin hit every fairway and was never more than 20 feet from any hole in scoring a 64 that Summerall described as the most perfect shotmaking exhibition he had ever seen.

Littler's fight back after major surgery is easily the bravest in my sporting experience. But that is an even less marketable facet of his character than his diffident and self-effacing personality. Of course, it is this kind of courage and determination that spawns champions. It is not so much the desire to win that separates them from the pack but the need, as Gary Player told me earlier this week.

Player is an extraordinary case in point. The veteran 1948 U.S. Masters Champion, Claude Harmon, the highly esteemed teaching professional at wonderful Winged Foot, was at home last Friday evening when Player telephoned him from Charlotte, North Carolina for the first time in his life.

The South African had reached a state of desperation about his game that he seems to descend into with some regularity, despite the fact that he was in contention to win the Kemper Open after 36 holes.

Harmon spent one and a half hours at the caller's expense telling Player where he was going wrong—namely, that he was trying to hit the ball so hard he was losing any semblance of his rhythm and balance, particularly the latter in the hitting area and follow-through. Harmon exhorted Player to "stop trying to jump out of your shoes to keep up with the big men. You must know that you didn't win over 100 tournaments and championships because you are the longest hitter in the game."

Duly convinced, Player scored a remarkable 69 in his third round, a typically courageous performance considering his nightmare start, in which he dropped strokes to par at the second, third and fourth holes.

Player then led the eventual winner, Ray Floyd, by a single shot, and on Saturday evening he was ecstatic when he telephoned Harmon again. But, alas, this story has no happy ending. Player promised to tell the world that Harmon was the man who had made winning possible after he had charged to victory on Sunday. Instead he scored 73 to Floyd's 69 to lose by three shots and share second place with the emergent young Texan, cherubic John Mahaffey.

* * *

On May 31 it was said in this column that an American foursomes pair playing in the Walker Cup at St. Andrews asked for a ruling on a flaw in the green and expressed "utter amazement" when a referee "stamped heavily on the patch of grass in question." We are informed by Mr. W. H. Miller, chairman of the Championship Committee, that the Americans did not ask for a ruling and were completely clear that the action of the referee in pressing down a hole plug in the green was in accordance with the rules which had been fully explained in a pre-match briefing for both teams.

Bridge

Resistance movement

BY E. P. C. COTTER

WHEN YOU are playing rubber Bridge, it is, of course, very pleasant to have enough assets to buy the contract, to make game or slam, and win the rubber, but to beat the opponents in their contract by good defence has a satisfaction all its own.

Playing this week with my friend and co-author, Derek Rimington, though Fortune was not lavish in her bestowals, I enjoyed our partnership greatly, and found two defences particularly appetising. Here is the first:

N.
♠ 8
♡ J 8 5 4
♢ J 9 7
♣ K 10 9 6 3

W.
♠ Q 10 6 5 3
♡ Q 10 9 2
♢ A 10 5 2
♣ —

E.
♠ 9 4 2
♡ K 7 3
♢ 8 6
♣ Q J 8 7 2

S.
♠ A K J 7
♡ A 6
♢ K Q 4 3
♣ A 5 4

North-South were vulnerable when South dealt and opened the bidding with two no trumps. North replied with three clubs —Stayman for majors only— South said three spades, and North's three no trumps closed the auction.

I led the two of diamonds, which was covered by the seven, eight, and Queen. The declarer now led the four of clubs, grumbling good-humouredly when I threw the spade five, and my partner took dummy's nine with his Knave.

At this stage the declarer's distribution was an open book to Derek—he knew it must be 4—2—4—3, so he returned the nine of spades. South finessed the Knave, and I was in with the Queen. I considered a switch to the ten of hearts, but I thought it safer to carry on with diamonds, so I cashed the Ace and led the five to dummy's Knave, my partner shedding the club two.

The declarer came to hand with a club to the Ace, forcing me to throw a heart, and cashed his diamond King, dummy throwing a club, and East the two of spades. The only hope was an endplay, and South cashed Ace and King of spades, discarding hearts from the table. Now came the Ace of hearts, but Derek, who had already parted with a low heart, jettisoned his King. I took the next heart with my Queen, and cashed my two major suit tens to put the contract two down.

A little later this model arrived:

N.
♠ K J 9 8 3
♡ A 10 5 4
♢ A Q 6
♣ 4

W.
♠ 8 7 5
♡ 7 6 2
♢ K 8 5 4
♣ Q 10 2

E.
♠ 10 4
♡ K Q J 9
♢ J 9 2
♣ A 8 6 5

S.
♠ A Q 2
♡ 8 3
♢ 10 7 3
♣ K J 9 7 3

We were East-West and vulnerable when North dealt and bid one spade, to which South replied with two clubs. North rebid two hearts, and South said two no trumps. Why she could not support her partner's spades is hard to understand, but some players are compulsive hand players. North raised to three no trumps, and Derek found the excellent MUD lead of the six of hearts. I won with the nine, followed with the King which held the trick, and the Queen was taken by dummy's Ace.

Now the declarer ran five spade tricks, on which I threw three clubs, and my partner two diamonds. When the four of clubs was led, I won with the Ace, cashed my winning heart, and returned the two of diamonds. My partner's King went to the Ace, and my Knave was the setting trick.

The declarer's play was poor. After she has made the Ace of hearts, it is essential to lead the club and attempt to establish a trick in that suit, while she still has a spade entry. If she guesses right, she gets home with the aid of the diamond finesse.

Mrs. Thatcher drops 'tactless' luncheon attack on Labour

BY OUR CARDIFF CORRESPONDENT

Mrs. Margaret Thatcher, the Conservative leader, yesterday dropped a planned attack on Labour extremists to avoid offending a luncheon of Cardiff businessmen.

The speech, issued in advance to reporters, attacked irresponsible Labour Party extremists with a mania for more power.

Mrs. Thatcher delivered instead a moderate speech calling for less State interference in private enterprise and fewer profit controls.

She said afterwards that she had dropped the remarks because she did not wish to offend her audience, which included among the guests Mr. George Thomas, the Cardiff West Labour MP and Deputy Speaker.

Mrs. Thatcher delivered part of her planned speech at a Press conference after the luncheon, but said that she felt it would have been "tactless to make such an acid attack before an audience with such a wide political cross-section."

Mrs. Thatcher to-day will hear an attack on her leadership at a Conservative Party conference at Aberystwyth, Dyfed. A motion for debate "regrets that there has been little sign of the new positive and aggressive Conservatism on which Mrs. Thatcher was elected to the leadership of the party."

Guernsey tomato export prospects 'reasonable'

BY OUR CHANNEL ISLANDS CORRESPONDENT

GUERNSEY'S 2,800 tomato growers have exported about 37m. lbs of tomatoes so far this year—about 35 per cent. of their total anticipated crop, and look set fair for a reasonable season.

Record quantities were being produced from about 1,000 acres of glasshouses in March and April. April exports alone topped 1m. 12 lb trays for the first time.

Cold weather, in particular easterly winds over Easter and subsequently have been blamed for reducing the export figures for recent weeks to below last year's levels.

Mr. Robert Kimber, the new manager of the island's Tomato Marketing Board, said: "It will be some time before we know how this season will compare with others, but as more growers are using peat modules, there should be a strong finish to exports in October and November."

Guernsey's Horticultural Committee is continuing its policy of encouraging growers to improve their management expertise, and to invest in modern glasshouses and equipment.

Last year, Guernsey's Tomato Board sold £14.3m. worth of fruit to U.K. markets.

A DEATH A DAY ON WELSH ROADS

Accident statistics showed that on average one person died each day on Welsh roads in 1974, it was claimed yesterday. Mr. Barry Jones, Under Secretary of State for Wales, speaking at a road safety meeting in Cardiff, said that there had been 16,000 road accidents in Wales last year involving 3,000 children.

Only about one-third of primary schools and one-sixth of other schools in Wales gave road safety a planned place in the curriculum.

Fishermen keep up sales despite bad weather

BY OUR CHANNEL ISLANDS CORRESPONDENT

GUERNSEY'S 100 or so full-time inshore fishermen made a creditable contribution to the island's exports last year in spite of experiencing the worst operating conditions on record, reports the Sea Fisheries Committee.

Just over 20 small trawlers and potting vessels form the backbone of the industry and last year they helped to export 1,671 tons of fish worth £338,000, mainly to France and the U.K. During 1973 the figure was 2,159 tons, worth £322,800.

Last year, however, saw inflation pushing fuel and gear costs ever higher together with bank interest rates and some of the worst weather.

Storms seriously damaged undersea beds of queen scallops —a major export—so that quantities fell from 1,708 tons, worth £145,700, in 1973 to 959 tons, worth £94,300, last year.

About 342 tons of scallops, worth £75,500, were exported last year against only 160 tons, worth £38,100, in 1973. Exports of wet fish, mostly demersal, rose by over 50 tons and lobster, crawfish and crab exports increased by about 80 tons.

GAS DETECTOR WINS AWARD

Mr. Alan Baker, a senior official at the Mines Research Establishment at Sheffield has invented a new type of sensing element called a Pellistor to detect dangerous gases underground. He has received a £1,000 award from the National Research Development Corporation who are now to exploit the invention commercially in Britain and abroad.

£¼m. for study of handicapped

A £250,000 grant for research into problems of the mentally handicapped in Wales was announced yesterday by Mr. Barry Jones, Parliamentary Under-Secretary for Wales.

The money, to be spent over five years, will be used to investigate the problems facing handicapped children and ways of helping their families to cope with difficulties.

Coal imports to S. Wales increase

IMPORTS of foreign coal at South Wales ports are substantially exceeding exports.

British Transport Docks Board monthly trade returns for the first 21 weeks of the year show imports worth 1,109,000 tons, an increase of 780,000 tons compared with the corresponding period last year. Exports at nearly 800,000 tons were up 370,000 tons.

Some of the coal came from Australia, but most was from the U.S.

Aggregate ports traffic for the 21 weeks at 7.8m. tons showed an increase of 584,000 tons. Imports were up by 294,000 tons and exports by 257,000 tons.

LABOUR WOMEN DE-RAILED

The national conference of Labour Women, due to be held in Harrogate later this month, has been cancelled because of the rail strike threat, the Labour Party said yesterday.

Industrial action by railmen is due to start on June 23, when delegates would be travelling to Harrogate for the three-day conference.

Travel

A tour of the Cotswolds

BY SYLVIE NICKELS

IN 1787, Lord Torrington noted in his diary "there cannot be a cleanlier, civiller inn than this." He was referring to the White Hart at Broadway, to-day one of Britain's best known hostelries and long-since renamed the Lygon Arms. Could he return to be greeted by a welcoming glass of sherry in his room, not to mention an adjoining private bath, Lord Torrington would undoubtedly agree that the inn is "cleanlier and civiller" than ever!

The Lygon was first mentioned as an inn in 1532. Its present appearance largely dates from the 17th century, to which the 20th century has added several extensions and considerable modernisation.

Charles I is said to have held a meeting here: traditionally, Oliver Cromwell slept in a first-floor room. The guest list has been star-studded ever since. The furnishings are an antiquary's dream, the bill of fare of top quality, the service beyond reproach. No one could call the Lygon cheap, but no one could deny that it is excellent value.

Rates per night per person range from £7.75 (double room, without bath) to £11 (single, with bath), including service, VAT, early morning tea and newspaper, but not breakfast. Special off-season rates (up to last April 30, £33) cover accommodation with bath and half board for three days: or there is a small selection of winter Musical Weekends (last season £15-£20 according to accommodation), with 24-hours' full board, a Champagne Reception, and a Saturday evening classical concert in the splendid Great Hall.

Broadway is among Britain's most famous villages. On a sunny summer's week-end, the traffic and the sightseers leave you in no doubt about this, and it is infinitely better to go at any other time. We went in November when the uncrowded lanes and almost deserted beauty spots amply made up for the seasonable mixture of rain and sun.

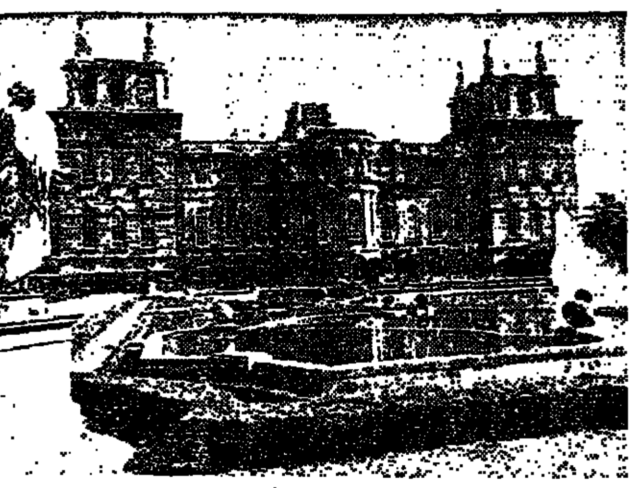
This is an excellent touring centre. With Stratford-upon-Avon only 15 miles to the north-east, the Lygon is well accustomed to providing after-theatre supper: For racing enthusiasts, Cheltenham lies a mere 15 miles in the opposite direction. The North Cotswold Hunt is on the doorstep. Evesham is 5½ miles away, with its lovely vale.

There are stately buildings, such as Blenheim Palace, Sulgrave Manor, Ragley Hall, Coughton Court, and Sudeley, Berkeley, Warwick and Kenilworth Castles, at all points of the compass. And, of course, there is the whole of the Cotswolds.

We settled for an 80-mile tour of the latter, which can be thoroughly recommended. Stanton is the first delectable tiny place (the Mount Inn for drinks and views), followed a few miles later by the Swells and the Slaughters. Upper and Lower Slaughter are justifiably famous for sheer picture post-card charm, after which you are very soon in Bourton-on-the-Water.

The little River Windrush winds through here, alongside the Green and under a host of bridges. Without the crowds, it is a gorgeous little place, and you can see it all over again to a scale of one-ninth in the Model Village, next to the Old New Inn.

Another Bourton phenomenon is the sight of birds winging over the Green such as you will never find listed in any field guide to British birds. These will be on brief forays from Birdland, which lies just off Bourton's main street. Its remarkable feathered collection ranges from avocets, bee-eaters and the yellow crowned bulbul, to flamingos, great hornbills, white pelicans, and a splendid miscellany of penguins from the Antarctic and South America.



Blenheim Palace

From here, it is a short run along the Roman Foss Way to Northleach, which has a notable eating place (The Old Woolhouse) and one of the great wool churches that are another special feature of the Cotswold scene. Indeed, wool and water provide a major theme in these parts: the wool which brought prosperity and accounts for so many splendid 15th century churches; and the water which contributed so much to various stages of its transformation.

The wool industry has all but gone, defeated long ago by the cheaper production methods of the Yorkshire mills. But the wool churches are still there, and so are the little rivers bubbling out of the Cotswold contours.

The Coln is one of them and we followed the antics of this excellent trout stream south of Northleach, through Coln St. Denis, Coln Rogers, Winson, Ablington, with a Norman church apiece and lovely honey-coloured cottages. Then the Coln led us across the main A433 at pretty Bibury and on through Coln St. Aldwyn to Fairford whose great church has a wondrous array of 16th century stained glass.

For the return route to Broadway, we took little lanes through the Eastleaches to the gracious wide main street of Burford, and then on by meandering ways via the Barringtons and the Rissingtons to the well-known charms of Stow-on-the Wold.

Our final halt was at Chipping Campden. Its lovely old buildings include a medieval wool market and yet another glorious church, especially famed for its brasses and its unique Cope and pair of Altar Hangings, priceless specimens of 15th century needlework. And, if money is burning your pocket, this very pleasant little town offers a selection of antique shops as well as the beautiful craftsmanship of silversmith Robert Welch.

FURTHER INFORMATION: English Tourist Board, 4 Grosvenor Gardens, London SW1W 0DU: Heart of England Tourist Board, P.O. Box 15, Worcester WR1 3QQ.

Industry Bill 'unaffected by reshuffle'

By Our Newcastle Correspondent

THE CHANGE in personalities at the head of the Industry Department is unlikely to mean any change in attitudes and policies, Mr. Gregor MacKenzie, the new Minister of State at the department said in Newcastle yesterday.

He told the annual meeting of the North of England Development Council, that the major pillars of the Industry Bill—the National Enterprise Board and the planning agreement system—are unlikely to be changed, though there could be some minor alterations in detail.

"Every time any Bill goes between commitee and Report Stage the Government will think again about some aspects in view of new developments and representations from outside bodies," Mr. MacKenzie said. "This always happens. There will be nothing new about this Bill. We won two elections on the strength of the pledges in it.

"The new Secretary of State is unlikely to mean any change in attitude. I don't think personalities come into it."

Mr. MacKenzie, Mr. Varley's number two since the Prime Minister's re-shuffle, said he expected a revival in world trade in 1976 and urged Britain's businessmen to demonstrate their confidence in the country's future by building up an industrial capacity "as never before in our history."

TV Top 20

Week ended June 8

			Homes viewing (m.)
1	Kojak	BBC	7.80
2	And Mother makes Five	Thms.	6.75
3	Edward VII	ATV	6.63
4	Coronation St. (Wed.)	Gran.	6.55
5	Sam	Gran.	6.50
	Main News, Weather (Mon.)	BBC	6.50
	Crossroads (Tues)	ATV	6.50
8	Crossroads (Wed.)	ATV	6.45
9	Sutherland's Law	BBC	6.35
10	Coronation St. (Mon.)	Gran.	6.30
11	Dad's Army	BBC	6.25
12	Crossroads (Thur.)	ATV	6.15
13	David Nixon Show	Thms.	6.05
14	Don't Ask Me	York	6.00
	News at Ten (Thur.)	ITN	6.00
16	Undersea World of Jacques Cousteau	BBC	5.85
17	The Main Chance	York.	5.75
18	World of Television	York.	5.65
	It's a Knockout	BBC	5.65
20	Top of the Pops	BBC	5.50

Figures compiled by Audits of Great Britain for Joint Industry for Television Audience Research.

The Arts

'Notre Dame' in Vienna

BY RONALD CRICHTON

Franz Schmidt is an Austrian composer honoured, if not universally acclaimed, in his homeland, largely ignored in other countries. London just knows his oratorio *The Book with the Seven Seals*, but not even our most enterprising fringe enterprises, I think, have tackled his operas, *Notre Dame* and *Fredegundis*. Schmidt (1874-1939) was a formidably competent musician, a fine pianist (who when asked how he found time in a busy life to work at the instrument, replied "Do fish need to practise swimming?"), a leading cellist at the Court Opera during the first part of his career, a much respected teacher, finally rector of the Vienna Academy of Music.

Notre Dame, written when Mahler was in charge of the Court Opera and Schmidt in the orchestra, but not produced until 1914, is a two-act romantic opera based on Victor Hugo's story of the gipsy Esmeralda who plays havoc with the lives of several men, notably the hunchback Quasimodo, bellringer of Notre Dame in Paris. Melodramatic stuff, but so powerfully imagined that it would need a major genius like Verdi, or on a more mundane level, a born theatre composer like Puccini or Massenet, to mould it into operatic shape. Schmidt, so this new production at the Volksoper suggests, was neither of these, but his score reveals an individual personality with a musical language (in this work, and at a first hearing) stemming from Wagner and Strauss, passionate yet rather dry and quirky, with chromaticism shading off into realms Strauss held back from after *Elektra*, and at times a curious suggestion of Hindemith.

Schmidt's experience at the Hofoper made him a fine orchestrator. The first intermezzo has for years been a popular concert piece. Sometimes one has the feeling that the main interest in *Notre Dame* lies not on the stage but in the pit. The vocal writing is not exactly ungainly: most of it comes through but the voice rarely rides or sums up the texture. Control of dramatic pace is not a strong point. Though the musical atmosphere is intense (one senses that Schmidt was deeply, almost naively, involved with Hugo's characters) there is a lack of contrast. Monologue succeeds slow monologue, and fast music when it comes (as in the polyphonic chorus for the crowd outside the cathedral) is often short.

This production marked the debut as operatic conductor of the violinist Wolfgang Schneiderhan. All a newcomer to the work can say is that the result was gripping and that occasional failure to let the voices through was probably as much the composer's fault as the conductor's.

Schneider-Siemssen's sets ranged from painted canvas for the Parisian carnival at the opening (very well lit) to three-dimensional constructions for the cathedral scenes of the second act, during which there are all manner of medieval diversions such as the flogging of prisoners and Quasimodo on the parapet pushing one of the gargoyles down on to the crowd below.

Walter Berry, in lurid silent-film make-up, sang the hunchback. Both he and Ernst Gutstein as the Archdeacon who is as much under Esmeralda's spell as anyone were strong, firm, uningratiating in tone, wholly committed. Since the tenors (Josef Hopferwieser as the young officer Phoebus, Fritz Uhl as Gringoire, Esmeralda's miserable, nominal husband) are despatched at the end of Act 1, the prevalence of deep men's voices emphasises the dark colouring of the second act. Esmeralda was Julia Migenes, a Puerto Rican soprano who came to Vienna for *West Side Story*. She has the looks and figure for a girl who inspires devotion and pity as well as desire. The music needs a larger voice, but when one could hear her clearly, for example in her touching final scene, her singing promised well.

★

London is not the only foreign city where there is growing curiosity about the *Zarzuela*, the Spanish equivalent (more or less) of Offenbach, Johann Strauss, and Sullivan. For this festival largely devoted to Strauss and his contemporaries, the Viennese had announced that a Madrid company would give *Doña Francisquita* of Vives, but what the Compania Lirica National actually brought was *La Dolores* (1895) by Tomás Bretón, composer of *La Verbena de la Paloma*, one of the most famous of all *zarzuelas*. *La Dolores* however, is virtually a verismo opera, about a servant girl in a Spanish inn, who attracts men like bees to a honey-pot. Too near in situation to *Notre Dame*, and not nearly so interesting.

The score is a mish-mash of Spanish, Italian and crude Wagner, through-composed but with numbers sticking out like thumbs. Some charm, no consistency. The orchestral writing has moments of fleeting distinction, with a prelude and opening scene to the last act which show a delicacy notably absent for most of the evening. The name part was sung at full fortissimo by Angeles Gulin. She has lost weight since I last heard her at an Edinburgh Festival, but has refined neither her pile-driving voice nor her sledge-hammer style. As her last act aria showed, buried somewhere in that massive but ill-used vocal equipment there is, or was, the makings of a dramatic soprano of potential value.

Among the many followers of Dolores (she never seemed to do any work) the only singer to come near festival standards was the tenor Pedro Lavirgen as Lázaro the seminarist who might, one gathered, have won the heart of Dolores if he hadn't ended by knifing one of his rivals. This production by Antonio Amengual was honoured by presentation at the Theater an der Wien, which lent its own orchestra—not, to judge from the second performance, entirely at home with the score. Eugenio M. Marco conducted. The best thing in the evening was the divertissement in Act 1, a soft-shoe jota winningly danced (no doubt with complete authenticity) by the Escuela Municipal de Jota.

Julia Migenes and Walter Berry in 'Don Juan'

Death in Venice

BY GILLIAN WIDDICOMBE

Britten's careful, loving and ironical latest opera has returned to the Maltings for two performances, before a summer run at Covent Garden. It is, of course, a chamber opera—soliloquies often partnered by piano only, even the climaxes created by light, skilful doubling, and much melodic interest in the soft gamelan tinkle—and is therefore most at home in a small, warmly reverberant auditorium.

Colin Graham's production has softened a little, and Frederick Ashton's choreography being deliberately relaxed. The Polish mother, still danced by Deanne Bergsma, is no longer so balletic in walk and gesture. Faith Worth, responsible for Ashton's recreating, has also omitted a few things in the ensemble: in the Games, the tiny tot no longer raises a snigger as he slaps his thigh with pique on missing the leap. Tadzio is less mannered too, partly because Robert Huguenin has grown more chesty, and Ashton's rather kittenish movements no longer suit him. Now he is more the insolent young man, falling into a sailor's gait when not concentrating, than an Appollonian ideal of *grace*, strength and beauty.

Peter Pears again sings the role so perfectly tailored to the nutmeg colouring of his voice that one cannot imagine any other tenor matching his naturalness of inflection, most of all in Aschenbach's half-spoken, self-examining, and later self-mocking lines. John Shirley-Quirk has further improved his many-parted role, seeming more at home (and less camp) as the elderly Freddy Fox — though it appears that whereas some counter-tenors can also sing baritone, this baritone can not sing falsetto. James Bowman was in strong form as the Voice of Apollo, and the discreet amplification worked admirably. Stuart Harling's friendly, smooth-sung performance as the Travel Clerk emphasises the effectiveness of giving this to a different singer—originally it was one of Shirley-Quirk's seven disguises; he is the only one sympathetic to Aschenbach, the only one free musically and verbally from sinister undertones.

Conducted by Steuart Bedford, the English Chamber Orchestra played on Thursday with slightly less melodic relish and polish ensemble than before. But the delicacy and eloquence of Britten's instrumental writing grows still more obvious as one gets to know the opera better. There is, for instance, far more wit than we first noticed: not just in the pert oboe mimicry, but also in the many strands of thin, crooning doubling. And nothing in Britten's work generates such yawning affection as the closing dying pages: a pillow of swaying strings, sensual master-strokes of an East Anglian puritan.

Aspinall's Gilda

BY WILLIAM WEAVER

Michael Aspinall's production of *Rigoletto*, currently enjoying a success here at the Teatro dei Satiri, is subtitled "a satire," but that is hardly the correct term. How can anyone satirise *Rigoletto*? Mr. Aspinall has rather taken Verdi's masterpiece an an occasion, a pretext for exercising his own special and exhilarating talents. As some visitors to the Wexford Festival and, more recently, to the Purcell Hall, are aware, Michael Aspinall is a soprano. Not a boy soprano. A grown-up one. And so, in this *Rigoletto*, he sings the part of Gilda. That, plus a few other things, including the Adelina Patti Waltz, a favourite showpiece of his (Gilda simply steps in front of the curtain before scene two and starts warbling), and—at the conclusion of the performance—bravura scenes from Donizetti's *Anna Bolena* and *Emilia di Liverpool*.

Mr. Aspinall's wit—and his profound knowledge of bel canto styles and foibles—are best appreciated, in fact, in such closed pieces. And, I must confess, I prefer him in recital, where he can cover a broader range than in "opera." Still, this said, I add that his Gilda is an arresting interpretation. This is no simpering, shy maid, but the sort of daughter that could make even Rigoletto quail. In the garden scene, when Gilda complains that in three months her father has let her see nothing of the city, she underlines her point by digging into her voluminous (gold) purse and extracting a Touring Club Italiano map. One is almost amazed she doesn't drag her overworked father straight out on a Mantua-by-Night guided tour.

It is logical then that, at the end, this Gilda—after delicately spitting out a few wisps of burlap—should rise from her sack to sing a good deal of music Verdi thoughtlessly neglected to compose for her and that she should be seen, finally, up in heaven, singing along with her white-clad, harp-strumming mother.

All the supporting members of the cast clearly enjoyed themselves. And if the humour was here and there, at the level of the Princeton Triangle Club, that isn't such a bad level, either. The humour was infectious. And as for the star, one can best sum up his performance by quoting The Times of 1908, à propos of Madame Tetrazzini, whose "acting in the painful scene between the unfortunate Gilda and her father succeeded in making us forget the horrors of the story."

Theatres this week

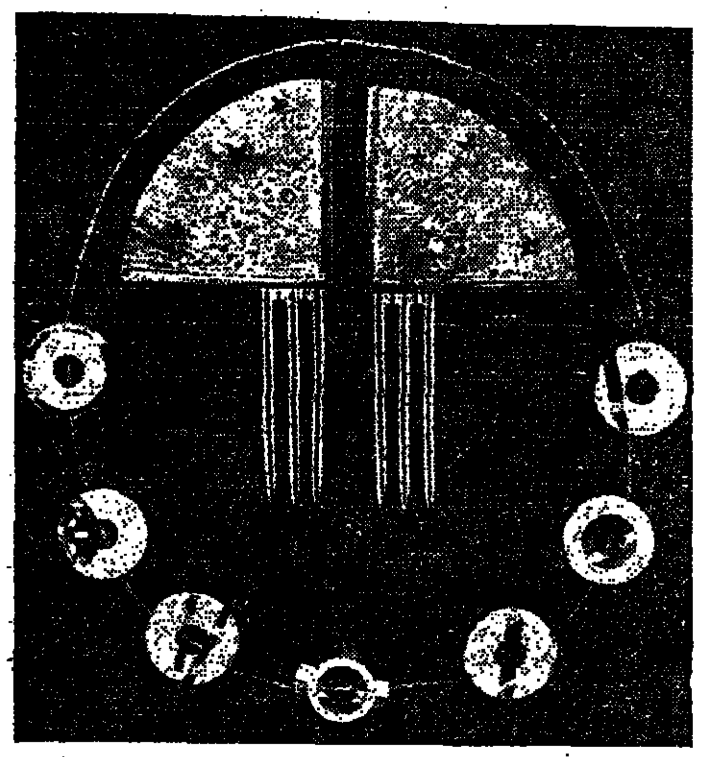
WIMBLEDON THEATRE—*The Phantom of the Opera*. High grade melodrama in a lavish production. If you think you know it from the film; you don't know it all. Worth the trip. Opened Monday.

PHOENIX—*Godspell*. Some nice young players pretending to be children in an appropriately childish paraphrase of highlights from St. Matthew's Gospel. Some find it moving; others find it embarrassing. Opened Tuesday.

YOUNG VIC—*Ashes*. Ian McKellen and Gemma Jones in David Rudkin's harrowing but impressive play about a sterile young couple. Opened Wednesday.

GREENWICH THEATRE—*The Knight of the Burning Pestle*. Happy production of Beaumont and Fletcher's City comedy with its gentle satire of the City's pretensions. In this weather the theatre is boiling, but approach down the river makes a good start to the evening. Opened Thursday.

How to spend it by Lucia van der Post



The pair of silver haircombs decorated with mother-of-pearl (chosen by one of the judges as, in her opinion, the most outstanding piece on show) are £50 for the pair. The necklace of ivory inlaid with tortoiseshell is £45. Both the pieces are by Rosamond Conway of the Royal College of Art.

Lots of Loot

In ten days' time, on June 24th to be precise, a fascinating exhibition of jewellery and silver called LOOT, will open at the Goldsmiths' Hall, Foster Lane, London, E.C.2. An exhibition isn't exactly the right word to describe it for that makes it sound a little rarified and this exhibition is anything but. Everything at the exhibition will be for sale, and everything will be in the region of £50 or less. The original idea was that nothing should be over £50 but with the raising of VAT to 25 per cent. whilst the exhibition was being planned a few of the pieces have just slipped over the margin.

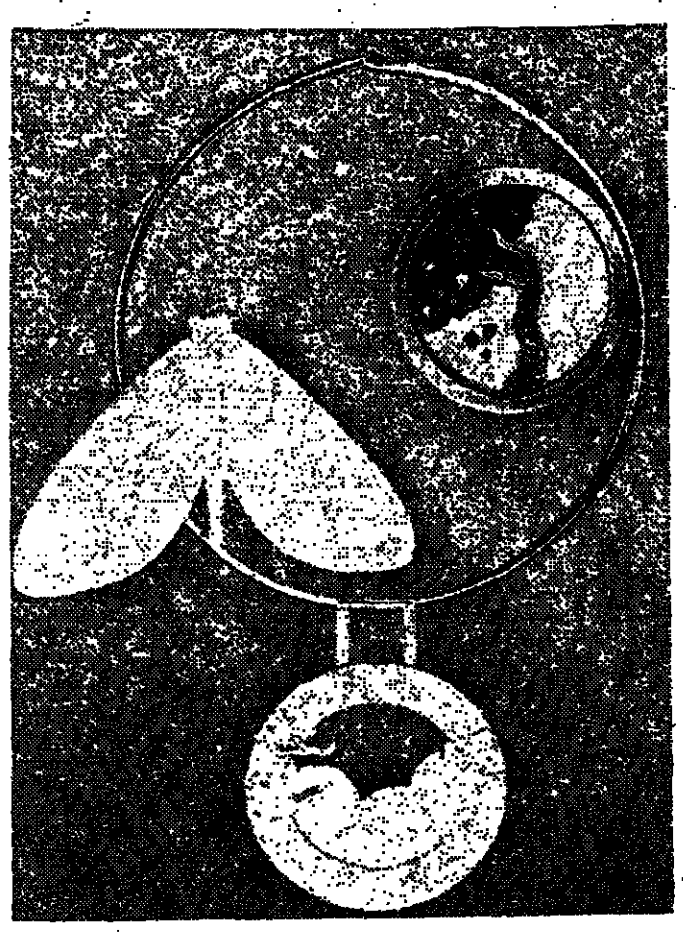
Loot marks quite a departure for the Goldsmiths' Hall. It's the first time that items in an exhibition will be for sale. Graham Hughes, Art Director of the Worshipful Company of Goldsmiths, wanted Loot to "reflect the charm and variety of a market place" and in order to do this some 300 different sources have been tapped to provide the silver and jewellery.

There is gold jewellery designed and made by many of our most famous jewellers, like Jane Allen, John Donald, Gerda Flockinger, as well as from new and young lesser-known designers. Given the price limit of £50 there's more emphasis on silver than gold and here there is work by people like Gerald Benney, Jocelyn Burton, Stuard Devlin, Robert Welch.

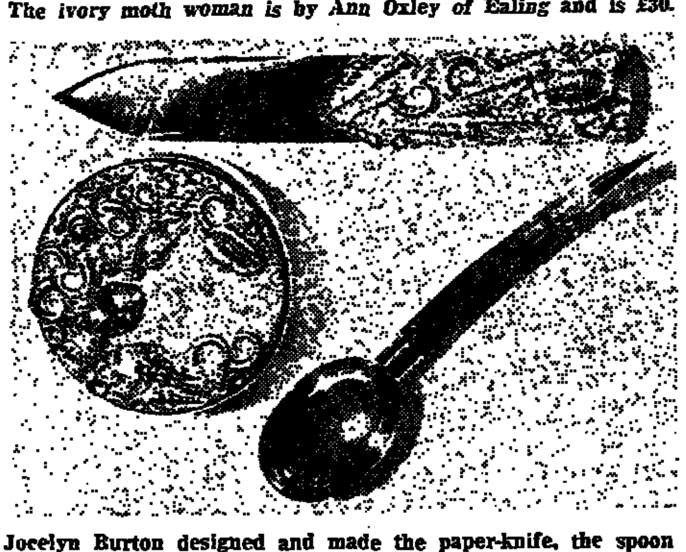
Everything for Loot had to be selected by a team of assessors and work for the exhibition came in from all over Britain. Everything will be for sale though the buyer will, naturally, have to wait until the exhibition is over before taking his personal Loot home.

The exhibition will be open from 24th June to 12th July every day except Sundays, from 10.00 to 5.00 except Tuesdays when it will stay open until 6.30. Even those who can't afford up to £50 would enjoy browsing around and there's always the chance that they might win the piece of Loot that is going to be given to every 1,000th visitor.

To whet the appetite take a look at the photographs here showing just some of the work that will be both on show and for sale.



Silver and titanium brooch by Graham Crimmins of Stockbridge Workshop, Edinburgh, can be seen lying inside the necklet. It is £56.25. The necklet is made of silver and ivory by Nichola Fletcher of Auchtermuchty, Fife, and is £28.00. The ivory moth woman is by Ann Oxley of Ealing and is £30.



Jocelyn Burton designed and made the paper-knife, the spoon and the pill or trinket-box photographed above. The knife has a silver handle, orange agate blade and is £45. The spoon is of silver and Elephantum dentalium and is £42 whilst the silver trinket box is £50.

The outdoor life

The Linen Tree is a beautiful new shop at 62, South Audley Street, London, W.1. which specialises in very high-quality, rather special bedlinens, towels and gifts. It's just the place to go to find a rather individual present or to find towels or linens that have something just that little bit different about them.

For the summer there is a special range of face flannels, hand towels and other linen, specially geared for the sporting life. The face flannels, hand towels, large towels and so on, are decorated with motifs symbolising the various sports—for instance, for tennis lovers there is a pair of crossed rackets, there are golfing bags for the golfer and anchors for the sailor.

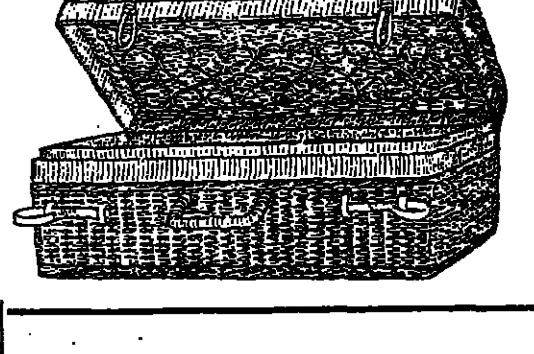
The hand towel and wiper drawn, far right, are white in background while the motifs are in red and royal blue. The handtowel (or scarf as The Linen Tree describes it) is £3.65 while the wiper is £1.25. The large towel with the "Mate" motif is in royal blue with red lettering or red with royal blue lettering and it costs £13.25.

A very nice present, and not necessarily just for the sports lovers, is a box of three bars of soap, each bar monogrammed with the chosen initial. The soap itself is transparent, tinted a pale, golden yellow with the initial set right into the centre in black. A box of three bars costs £3.00.

The Linen Tree will send by mail, 25p for the small items, 35p for the large towels.

For those who don't go in for elaborate picnics and don't have them often enough to warrant lashing out on complicated and expensive picnic gear most large Boots branches have at the moment a series of natural cane hampers which are remarkably inexpensive. They also seem to me to have the supreme advantage of being very decorative and therefore very usable for other things when the weather for picnics is no longer with us. There's a stretch pocket in each lid so the baskets could easily double as sewing-baskets, make-up baskets, patchwork guarder, briefcase-cum-handbag, when not holding the picnic food.

There are three sizes: 40 cm. by 27 cm. by 15 cm., £1.45; 45 cm. by 31 cm. by 17 cm., £2.80; and 51 cm. by 35 cm. by 20 cm., £4.95.



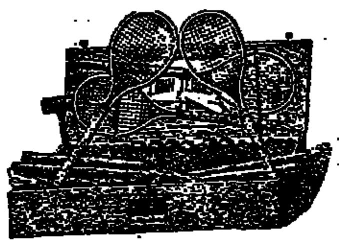
Suffolk skills

Those readers who know East Anglia and have been to the Snape Maltings will need no encouragement to go again but for those who have not yet discovered this corner of England, there are delights in store. At the moment the Aldeburgh festival is in full swing and there are many attendant events to view. For instance in the Snape Maltings, which is worth a visit just for itself, there is an exhibition of work by Suffolk craftsmen. It is only on for another week (until June 23) but it is open every day, including Sundays, from 11 a.m. to 7 p.m.

There a total of 54 Suffolk craftsmen have displayed their work, ranging from handwoven garments to fine gold collars, from ceramic barbecues to hand-made harpsichords. Everything will be on sale and the prices range from £20 for a hand-woven woollen top to £500 for an upright spinet. Shiela Elmhirst is one of the artists whose work will be displayed and the hand-engraved decanter, right, gives some idea of the very high standard her work achieves. This particular decanter was one of a pair commissioned by the family of Lord Hartington for his 21st birthday. It features his family home, Chatsworth House, and is obviously not for sale but other examples of her work will be.

How to MEND it

Rackets



If you haven't played tennis for years and are wanting to take it up again it may be worth getting out your old rackets and taking them along to an expert. If you already belong to a really good club they may have somebody who can advise and help you on whether the racket is worth restringing or not. If not Harrods Sporting Goods Department will restring rackets of any sort, whether tennis, squash or badminton, whether bought from them or not. It takes two weeks to do, prices vary from £3.50 for the cheapest nylon to £10.50 for the best weatherproof champion gut for tennis rackets. You can send rackets by mail, in which case an extra charge of 74p is made to cover the postage back.

Lillywhite's, Piccadilly Circus, London, W.1. will also restring all types of racket, whether bought from them or not. They take one week and their prices range from £4.50 to £10.50. They, too will accept rackets by mail but feel it is best to take the racket in if you possibly can, and ask for proper advice first.

Copper Brass Pewter Spelter

The Glynleigh Studio, Peelings Lane, Westham, Pevensey, Sussex is a studio that works in all non-ferrous metals, producing both contemporary and traditional work, and they will also undertake repairs and restoration of works made from these metals. Most of their work is done for the antique trade but they are willing to do one-off jobs as well. They have recently repaired a French brass bed which consisted of over 100 pieces but other things they've tackled include copper kettles, buckets, fire dogs, trivets, scuttles and old pewter vessels.

Spelter is a material in which many 16th and 17th century statues of military gentlemen were hollowcast and these frequently lose a head, a hand or a foot and the studio can replace these. Remember that they only work in non-ferrous metals so its no good going to them with wrought-iron work. If you need wrought-iron repairs done there are plenty of smiths who work in this material to be found in the CoSira booklet, Guide to Country Workshops (a copy is obtainable for 27p plus a seven inch by 11 inch self-addressed envelope with 13p postage on it from 35, Camp Road, Wimbledon Common, London, S.W.19).

The Studio does repairs to two standards — the collectors' standard which is impeccable and costly and the everyday standard which is perfect to the naked eye but not so costly. Contact Mr. Sam Fanaroff, the craftsman in charge.

D. Vickrage, 15a, Salisbury Road, Boscombe, Bournemouth.

Mr. Vickrage can, according to a reader who recommended him to us, mend just about anything from an artificial limb to the kitchen sink, providing it's some kind of metal. He works in bronze, cast-iron, aluminium, brass and so on. He has mended gearboxes, kitchen equipment, motor-bike parts, printing presses, sewing machines, operating theatre equipment, dentists' equipment, radios, TVs, fishing tackle, folding chairs . . . the list is seemingly endless. He can also do jewellery, putting loops and pins on brooches and lockets, but he prefers not to do work that is too delicate as he feels his eyes are no longer quite up to it.

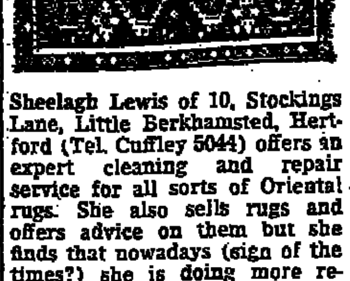
He will happily discuss projected work over the phone (0202 36035) or by letter if any reader isn't sure whether the project he has in mind is Mr. Vickrage's line of country.

Obsolete or Prototype Components

Robert A. Kisch is a consulting engineer who will make individually any parts, whether mechanical or electrical, that cannot be found elsewhere. Much of his work is concerned with vintage and veteran motor cars where he supplies the parts that are no longer in production. He has also recently tackled a food mixer, re-rated obsolete electrical slot meters. He's dealt with repairing hedge trimmers, produced designs for boat propellers and repaired cuckoo clocks.

Because he provides a unique, one-off service, providing what other people can't or won't do, the price is not cheap—given the individual attention it couldn't be. But for anybody with a machine that is currently useless because of lack of one small part Mr. Kisch could be the answer. Write to: One Off Components Company (Proprietor R. A. Kisch), Villa Martinique, Chemin du Moulin, St. Ouen, Jersey, C.I.

Oriental Carpets



Sheelagh Lewis of 10, Stockings Lane, Little Berkhamsted, Hertford (Tel. Cuffley 5044) offers an expert cleaning and repair service for all sorts of Oriental rugs. She also sells rugs and offers advice on them but she finds that nowadays (sign of the times?) she is doing more repairing and restoration work than selling.

As always one has to warn all readers that the service is not cheap — in this case mainly because there is a great lack of expert weavers in Britain and usually handspun materials and vegetable dyes are required to obtain a perfect repair. However Sheelagh Lewis points out that the condition of Old Antique pieces greatly affects their value so that expert repairs could be considered an investment.

Her firm always gives a market valuation on the rug and a free estimate of the work recommended. They collect and deliver free within 200 miles of London and most restoration work takes about three weeks.

Prices vary according to the fineness of the knotting and the age of the piece, but a rough guide is as follows:

A fine antique rug with an inch square hole would be rewoven for about £10.

A modern loose rug would be patched and tinted for about £3.

Fringes vary from £5 . . . £15 for rugs 6 ft. by 4 ft.

Usually rugs need to be cleaned before the repairing work can be done and this costs in the region of from £2 to £5 per square yard.

Rodney King, 62, Priory Road, Tonbridge, Kent:

Mr. King runs a small shop dealing in old oriental rugs and carpets, but the major part of his business is repairing and restoring. If rugs have holes that need to be mended he either uses one of the numerous pieces of old rugs that he has on hand to patch them or else he re-weaves. He will advise on which method would be the most suitable—re-weaving is the more expensive and would be most advisable in a high-quality rug, while less valuable rugs would not lose their value by being patched.

He can replace the cord edges on rugs, fringes and arrange for cleaning. For the cost of his travelling expenses he will visit homes to see the larger rugs and carpets if a customer can't get them to his shop.

Readers could ring Mr. King (Tel. 07322 62466) to discuss any carpet problems first.

Mr. King was recommended to us by Mr. Desmond North, who, with his wife, Amanda, sells old and antique rugs and carpets from their home. Two or three times a year they have a "marquee sale" in their garden and any readers interested in contacting them should write to them at The Orchard, Hale Street, East Peckham, nr. Tonbridge, Kent.

CHESS

By LEONARD BARDEN

PAUL KERES, who died suddenly last week on his way home to Estonia after winning the Canadian Open in Vancouver, was probably the best player never to win the world championship.

Keres, born in 1916, had an active tournament career of 40 years from the Warsaw chess Olympics of 1935 to his final 1975 victories at Tallinn and Vancouver.

His unlucky near misses in the world championship were themselves a legend. In the late 1930s he was already Alekhine's leading challenger, but the war prevented a match where Keres would probably have outplayed the fading champion.

In the candidates' tournaments of the 1950s and 1960s he was four times runner-up, and for several years in that period his tournament form suggested that he would have beaten Botvinnik in a match.

Keres never got the title chance he wanted, but chess fans everywhere appreciated his fluid attacking style combined with subtle positional skill. He was a Beckenbauer or a Rosewall of the chessboard who allied his natural tactical gifts with a beautifully precise control.

Keres was also a likeable and modest man and one of the most popular choices among tournament organisers; he won several times at Hastings, was the most frequent USSR competitor in North America, yet also found time to win the Russian championship gold medal three times.

Though Keres toned down the ferocious attacking style of his early years to meet the needs of play against very strong grandmasters, his best and most appreciated games were those where his creative tactical ideas boiled up from an apparently positional setting. This week's two Keres games are matched by dozens of others of similar quality which can be found in the excellent collections by Golombek and Reinfeld; and both wins are against the Sicilian, which Keres seemed to regard as a special challenge to combinative play.

White: Keres. Black: Fuderer. Gothenburg Interzonal, 1955. Opening: Sicilian Defence, Poisoned Pawn variation.

The opening moves were 1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, P-QR3; 6 B-KN5, P-K3; 7 P-B4, Q-N3; 8 Q-Q2, QxP; 9 R-QN1.

This game was the debut of the poisoned pawn gambit at international level. 9 N-N3, as played in Spassky's win against Fischer in the Reykjavik world title match 1972, is a later finesse.

9 . . . Q-R6; 10 P-K5, KN-Q2? 11 P-B5! NxP.

If 11 . . . QPxP; 12 PxP, PxN; 13 PxP ch, KxP; 14 B-B4 ch with a winning attack.

12 PxP, PxP; 13 B-K2, QN-B3; 14 NxN, PxN; 15 N-K4, P-Q4; 16 0-0, Q-R5; 17 B-R5 ch, K-Q2; 18 RxR! Resigns. If 18 . . . RxR; 19 N-B5 ch.

White: Keres. Black: Szabo. USSR v. Hungary, 1955. Opening: Sicilian Defence, Richter Attack.

The opening moves were 1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, N-B3; 6 B-KN5, P-K3; 7 Q-Q2, B-K2; 8 0-0-0, 0-0; 9 P-B4, P-QR3?

Apparently harmless, but a serious mistake; better NxN.

10 P-K5! PxP; 11 NxN, PxN; 12 PxP, N-Q2; 13 P-KR4!

A touch of the tactical master; most players would choose the routine 13 B-KB4 or BxB.

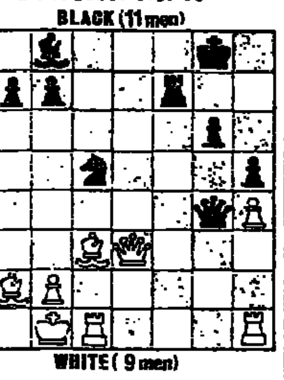
13 . . . R-N1; 14 Q-K3, R-K1; 15 R-R3, Q-R4; 16 BxB, RxB; 17 R-N3, R-K1; 18 RxN! BxR; 19 B-Q3, P-R3; 20 Q-B4.

After a sacrifice to deprive the black king of defenders, Keres creates an attractive and logical finish; 20 QxP, QxKP is not so clear.

20 . . . K-B1; 21 RxP! KxR; 22 Q-B6 ch, K-B1; 23 B-N6. Resigns.

POSITION No. 66

BLACK (11 men)



WHITE (9 men)

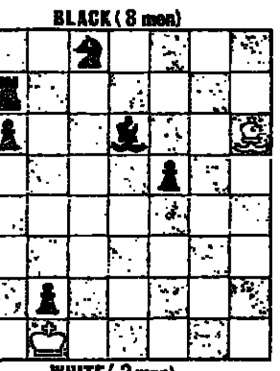
Keres v. Petrov, USSR Championship 1940. This position arose from the dashing King's Gambit, one of Keres's favourite openings in his youth.

As White (to move) he has sacrificed two pawns for development and for open lines for the bishops. However, White's queen is attacked, Black hopes to swap queens by Q-KB5, while the obvious 1 Q-K8 ch is adequately met by 1 . . . R-B1.

What did Keres play, and how did he win quickly after Black's best defence?

PROBLEM No. 66

BLACK (8 men)

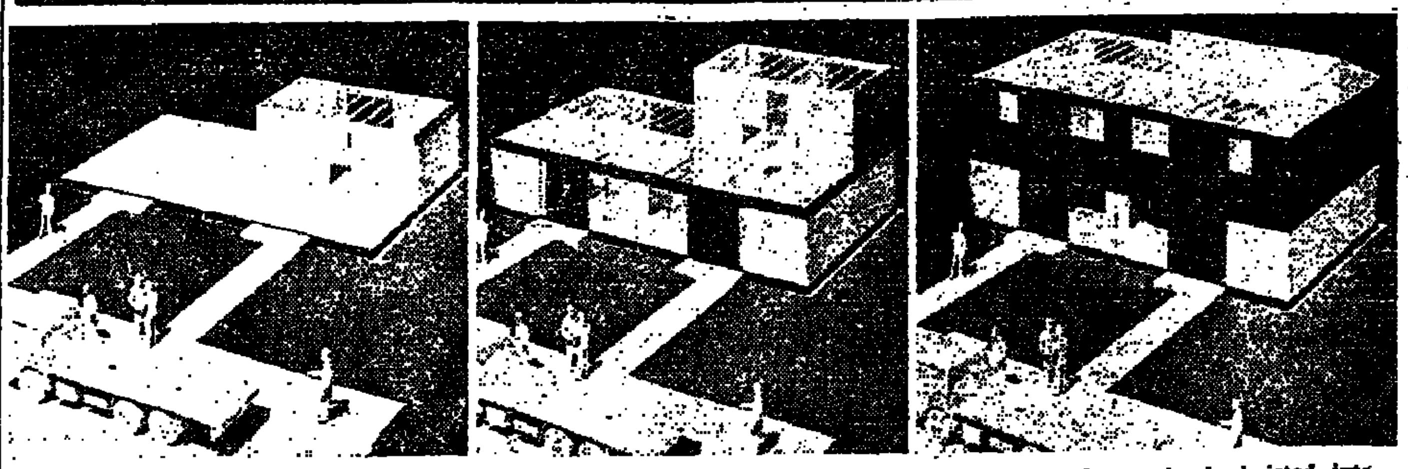


WHITE (2 men)

White mates in four moves, against any defence (by Paul Keres). Keres was not really a problem composer, and considered this just an "exercise." Easier than most two-movers, but a witty solution.

Solutions, Page 4

Property and housing



How the factory-built home is assembled on site. The modules are delivered by lorry and are simply hoisted into position by crane and then bolted into position next to the adjoining component. On the right the finished version—made to look like "the real thing."

When a prefab is not a "prefab"

BY JOE RENNISON

"WOULD NOT people greatly prefer quicker, cheaper homes to the hopeless, endless wait for a bigger and more expensive house? The solution might be some sort of temporary or prefabricated housing. It might be houses built conventionally but with very small floor areas. We have seen some interesting experiments in the private sector in recent years. It might be—for all the disappointments in this field—a renewed drive for industrialised systems. It might mean more self-build or starter homes." (Anthony Crosland, *Secretary of State for the Environment, October 30, 1974*).

Ministers, perforce, must sometimes state the obvious. In doing so they can also be careless about their choice of words and put their foot in it. Mr. Crosland was summing up the desperate state of the housing programme in this country. The problems are only too obvious; too few homes of the right kind are being built in the right place at the right price.

The situation needs a desperate remedy. Apart from all the efforts going into rehabilitation and refurbishment (also recently cut back) there is a continuing need for a quick supply of new homes at a price that the first time buyer in particular can afford. The other choices are the seemingly endless waiting lists for a council home or the hope of finding a home in the diminishing private rented sector.

The Minister's use of the word "prefabricated" caused much concern and not without reason. It conjured up visions of a return to the little boxes put up just after the last war in an effort to solve the housing problem then. A return to the era of the "prefab" was not something most of us wished to contemplate. (That is not to say that many people thought them absolutely ideal).

But basically the idea of a short term temporary solution to a long term problem was philosophically unacceptable. It would have meant simply passing the buck down to future generations, more and more homes becoming more quickly redundant, more waiting lists, more houses to be rebuilt at an ever increasing cost, etc., etc.

It must be said in Mr. Crosland's favour that he has since regretted even mentioning the word. As far as that is concerned, the question can now be considered closed. But the question of speed and urgency remains. But again we come across a stumbling block. Prefabricated or system building does not enjoy a favourable image. Once thought of as the solution to all our housing problems, the snags soon became apparent.

A failure

It was soon associated with the soulless slabs that were being constructed in the sixties. Even the costs were shown to be greater than traditional methods of building. It seemed a failure on aesthetic, social and economic grounds.

The attitude of those who order and build our public housing did not help. Having thought that they had made the greatest discovery since sliced bread, they continued in some cases to use systems that were already in disrepute. The ability of local authorities to react quickly to any given situation can be compared with that of a dinosaur fighting off the approach of the 20th century.

But the problem remains: how to build quickly, economically and on a human scale. The advantage would seem to remain with the traditional detached or semi on a single storey. Here, too, the ability to use factory methods would greatly help to keep down prices. And that is essential to-day with labour and material costs rising rapidly. It is difficult, however, to apply factory methods to the traditional brick and tile roof house apart from some basic components.

So what about timber? It is at this point that many readers will raise their eyebrows at the word "timber" and switch off. The prejudices against the use of wood for building homes in this country remain very strong. They are not justified. A timber frame home will not catch fire any more easily than a home of conventional construction. The way that the materials are treated to-day have made sure of that. A traditional house full of a lot of plastic furniture is more likely to produce a tragedy than a wooden house full of wooden furniture.

Nor will a timber framed home blow away in a high wind or collapse in a rotting mess during one of our more particularly foul wet winters. Parker Morris standards in the public sector and National Housebuilding Council guarantees in the private sector are as rigorous for timber as for traditional materials.

So a combination of timber and a factory method would seem to be ideal. When timber is used in house construction, the difference in cost between that and traditional construction varies depending on the type of house the customer wants: I have seen many superb timber homes but they have cost rather more than their traditional equivalent. These are mostly the kind imported in kit form from Scandinavia. The timber work is first class and the insulation and internal finish are in many ways superior.

When it comes to speed combined to a factory method, then timber seems to have the advantage. Two men who are convinced that they have found the answer are John Blyde and Terry Emmery, commercial manager and sales director respectively of the Potton Timber Engineering Company. They and the other members of the company have put in a lot of work to produce what they see as a quick solution to the needs of local authorities and the lower end of the private sector.

Potton was founded nearly 11 years ago and began by concentrating on supplying timber products of a wide variety to many sections of industry. From this grew the idea of supplying to the house building trade and finally of producing the instant kit house which can be erected quickly and at a low cost. The low cost cannot be questioned but whether they are acceptable to the customer remains for the individual client to find out for himself.

The company is confident of the eventual success of its new products—as well as being able to continue its traditional role of suppliers of joinery and other timber products—and is at present expanding its production facilities so that it will eventually be able if necessary to produce the goods to put together 1,000 houses a month.

New range

A new subsidiary, U.K. Instant Homes, has been formed to market the new products. So far the parent company has concentrated on supplying components to the public sector but now is aiming to break into the private sector with a new range of complete homes.

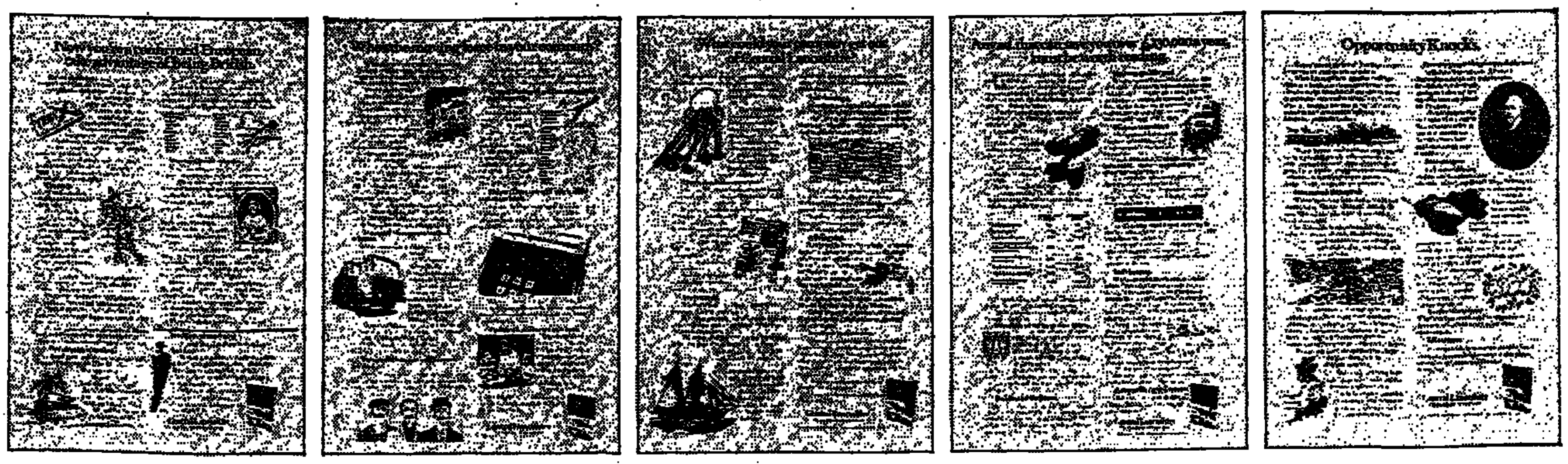
A Milton Keynes firm of architects, Seymour Prestidge Associates, was commissioned to produce a design for a range of homes that would satisfy the need of the first time buyer but which could be extended to provide larger homes and could be used in the public sector under Parker Morris standards. It has produced plans for a one-bedroom home which can be sold at £3,800 and a two-bedroom home selling at £4,600. There are plans for a three-bedroom version at a price of £5,200.

It is important to note that these prices are for the product as supplied from the factory. They do not include the cost of site works and do not include central heating. Moreover, the prices can only be maintained if there is an order of sufficient magnitude to justify keeping the production line in action. The minimum would be about fifty homes.

The eventual cost of the homes would depend on the cost of site works and the price of the land. So it could vary considerably in different parts of the country. The houses have building society approval for possible mortgage requirements and are up to NHBC standards. It is ironical, however, that to satisfy the building societies the company has found it necessary to supply cladding to make the houses look like "the real thing." This is not so much the fault of the societies as the extreme conservatism of the average customer.

The prototype house built to Parker Morris standards intended for us by local authorities is in my opinion an excellent buy. The structure and finish bear comparison with any traditionally built home. But the great advantage is that the houses can be built very quickly once the essential site work is done. It is for this reason alone that local authorities should be looking to this kind of system.

But talking to the people in the company there came across—as in so many cases—a sense of disillusionment about the ability of the majority of our councils to act quickly enough. It would be a pity if the statutory authorities are not able to make a decision quickly on a product that has already been given the approval of other bodies concerned with solving our housing crisis.



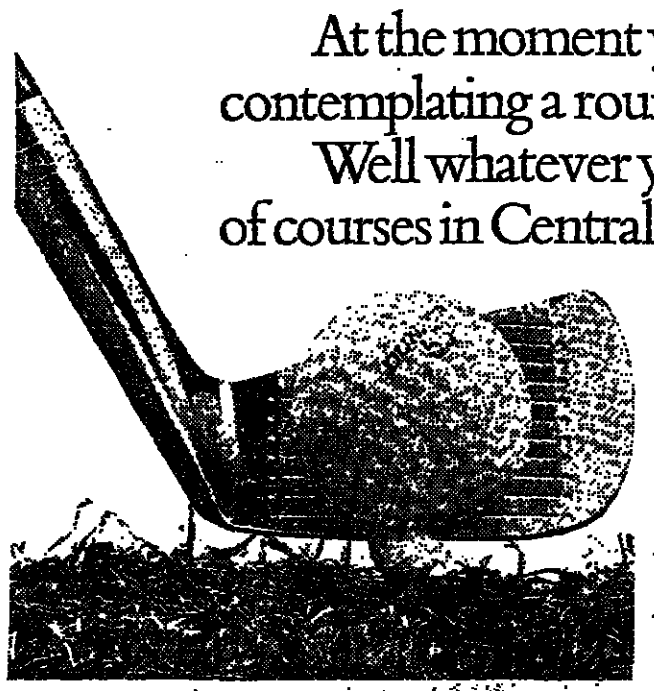
After talking business all week, it's nice to relax at weekends.

It's the weekend; time to relax, recuperate, reflect.

So after telling you all week about the advantages of locating a business in Central Lancashire, we thought today we'd talk about what it's like to live here.

At the moment you may be contemplating a round of golf.

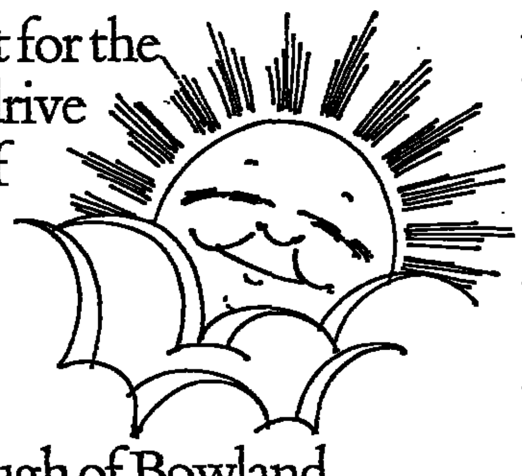
Well whatever your handicap, it won't be a lack of courses in Central Lancashire.



There are six eighteen-hole courses, or, if you're feeling slightly more ambitious, the championship courses of Royal Birkdale and Royal Lytham St. Annes are within easy driving distance.

But perhaps at weekends, you'd sooner spend your time with the family.

Well, why not take them out for the day? In less time than it takes to drive across London, and with none of the fuss, you can be in the Lake District or the Yorkshire Dales.



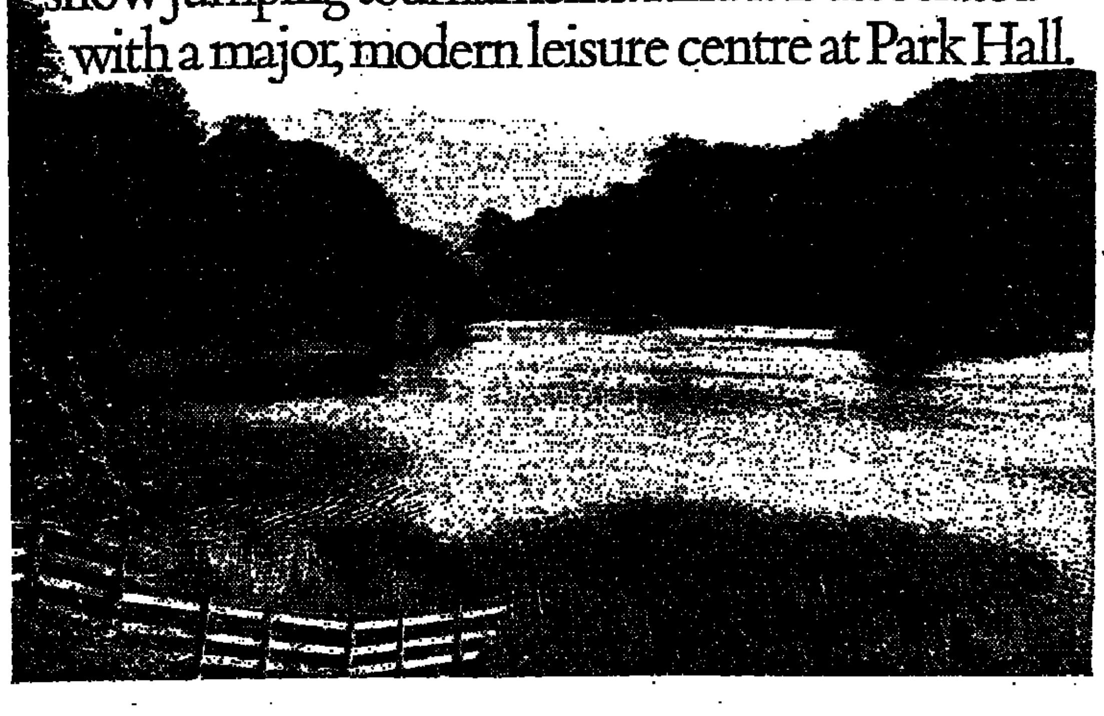
Even closer are Beacon Fell Country Park, the Anglezarke Moors, and the magnificent Trough of Bowland.

Around, are miles of splendid countryside.

If you hear the call of the sea, it's probably because you're only 17 miles from the Fylde coast.

And don't believe everything you hear about our weather. Last year Central Lancashire basked in 1,519 hours of sunshine.

Any member of the family, with an interest in horses, will be in their element. At Arena North, minutes away at Charnock Richard, there is one of the largest outdoor equestrian arenas in the country. It's the venue for international riding events and show jumping tournaments. And it is associated with a major, modern leisure centre at Park Hall.



If you're a keen angler, hang up your 'Gone Fishing' sign and head off for some of Lancashire's fine rivers.

First class game fishing is to be found in the Lune, plump roach in the Winster, and 888 salmon were grassed by rod and line from the Ribble last year.

In the evening you might listen to a Mahler symphony at the Guild Hall in Preston. Its concert hall holds 2,300. World-famous orchestras like the Hallé and the Liverpool Philharmonic often give concerts here, along with many international artists.

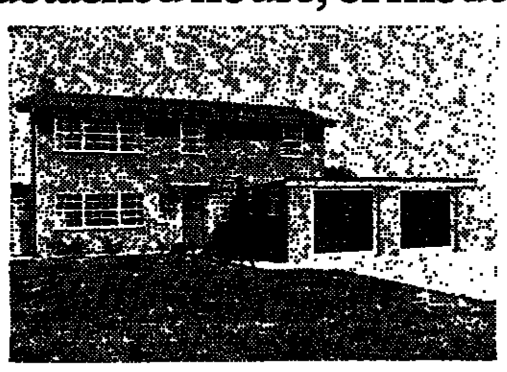
And during the season there's also the glitter, bustle and big-name shows of the nearby coastal resorts.

To round off a perfect day, why not dine out?

Besides the many country inns, there are numerous restaurants listed in the current edition of the Good Food Guide. A memorable three-course meal for two, with wine, can be had for as little as six pounds.

And if you're wondering about the cost of buying a home in the area, let's take a look at a typical house on sale at the moment.

This extremely well-appointed, 4-bedroomed detached house, of modern design, is situated in an executive residential locality. It has a hall with cloaks and wash-handbasin, spacious lounge, dining room, kitchen, luxury bathroom and independent shower; a drive to a double garage with a dual entrance; hard-standing for caravan and boat, and good garden areas.



Its price, £19,950.

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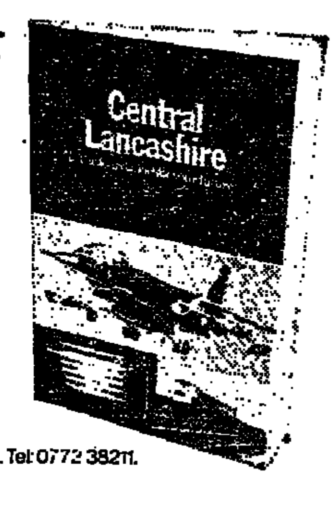

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Collecting wisely

Wealth of porcelain

BY JANET MARSH

THE SMALL BLOCK bounded by King Street, Ryder Street and Bury Street, St. James, currently provides a surprising treasury of fine ceramics. In Bury Street Winifred Williams has assembled a very unusual and exceptionally graceful exhibition of "18th Century European White Porcelain."

Undecorated porcelain in emulation of "blanc de Chine" presented a major challenge to the pioneer European manufactories. Porcelain "in the white" has to make its effect purely by the perfection of its form and the quality of its material and texture, without any of the seductions afforded by the enameller's art.

Just how successful the European artists could be is shown in the comparison of an actual "blanc de Chine" beaker with almost exact imitations produced at the Meissen and Doccia factories: or the vitality of a very early Böttger Meissen adaptation of an Oriental "Pagod" figure.

The European artists achieved wonderful vitality in their use of traditional Chinese motifs of raised sprays of trailing blossom and leaves—prunus, tea, black-currant and vine were the favourites—on useful wares; and in their light-hearted approach to figure subjects—a pug-faced cupid disguised as a peg-legged wounded soldier, or a delightful Vienna box in the form of a tortoise with a dwarf squatting atop the shell-lid.

The star of the show, however, is a hitherto unrecorded Vincennes soft-paste model of one of Madame Pompadour's dogs ("either Inés or Mimi." says the admirable catalogue of the exhibition, a bargain at £1). Perkily sitting upright on its tasselled cushion, the well-groomed and evidently spoiled royal pet has lost none of its impertinent doggy charm in two centuries.

The impression of so much porcelain "in the white" is very far from monotonous. Bringing together examples from Meissen, Doccia, St Cloud, Mennecy, Vincennes, Tournai, Chantilly, Vienna, Chelsea, Bow, Longton Hall, Derby and (surprisingly rare in this undecorated style) Worcester, reveals just how endless is the range of tone and texture and luminosity within the apparent limits of "white."

Just round the corner in Ryder Street, Kate Foster has an exhibition of European Porcelain and Faience figures of the eighteenth century, especially strong in examples from the German factories, with a large group of later Hoechst figures, a notable early Wiesbaden group of a boar set upon by dogs and an exceptional and lively early Frankenthal harlequin.

Kate Foster's star is another royal pet: an exceptionally important Lunéville faience figure of Nicolas Ferray, known as "BéBé," the dwarf at the court of Stanislas Lesczinski, King of Poland and Duke of Lorraine. Bébé lived from 1740 to 1764 and was only 84 cm. tall when he died. The figure (illustrated here) which shows him in the uniform of a Polish hussar, is signed and dated 1746, and claims to show him, at 57 cm. tall, full-size ("Portrait naturel d'un enfant agé de six ans"). Whether or not there is some flattery in the figure (the head seems impossibly small even in so small a dwarf) it is a remarkable portrait. It is gratifying that Bébé is to go home at last: he has already been bought by the Lunéville Museum.

Here, too, are several outstanding pieces of undecorated white, including a characterful Doccia mask of a tragic actor, presumably part of a larger decorative trophy; and a spirited little Meissen portrait of Augustus the Strong, Elector of Hanover, as a Roman Emperor with flying cloak and a Marshal's baton in his hand.

Augustus was such an enthusiast for porcelain that he once swapped 12 dragoons for four dozen massive vases that he had coveted from Frederick the Great. It was due to Augustus's autocratic persistence that the unhappy Johann Friedrich Böttger created the first true European porcelain in 1709.

The young Böttger arrived in Saxony as a refugee from Prussia, where he had been persecuted as an alchemist; and was then virtually imprisoned by the Elector until he should succeed in discovering the secret of porcelain. He proved luckier in this endeavour than in his earlier pursuit of the *Philosopher's Stone and the* manufacture of gold; but even when successful, Böttger was further confined so that he could not reveal the secrets he had himself discovered. Poor Böttger died at the age of 37 in 1719, broken by an imprisonment that had ended only four years earlier.

Three notable pieces of the red stoneware which was Böttger's first great discovery appear in Sotheby's sale of important continental porcelain on Tuesday next, along with fine examples of early decorated ware from the Elector's Meissen factory. A skillet decorated with watteau subjects bears the arms of the Elector (presumably it was made for Frederick Augustus III around 1745) and there is a superb pair of "seladon" bottles, with chinoiserie panels reserved in a ravishing turquoise glaze.

The most notable item in the sale, however, is a Saint Porchere ewer from the second quarter of the sixteenth century, formerly in the collection of Horace Walpole and illustrated in the 1784 edition of the Description of Strawberry Hill.

On Monday Christie's have a good and varied collection of Fine English Porcelain including some good Bow (with opportunities for collectors of "in the white") and a couple of notable *Longton Hall figures of a* Hussar (after a Meissen original) and a dainty little toper.

Hare coursing Bill given second reading

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE COMMONS yesterday took the first step to what field sport supporters believe could lead to the abolition of foxhunting, deer stalking, beagling and falconry.

The Government's bill for the abolition of hare coursing received its second reading by a majority vote of 116 (217-101).

The Bill was strongly opposed by Mr. Michael Alison, Opposition Home Affairs spokesman. He and other Tory MPs were not contradicted by the Minister when they put their anxieties that other blood sports could now be in jeopardy.

Dr. Shirley Summerskill, Home Office Under Secretary said the Government was taking account of the growing concern over hare coursing. This cruel sport was no longer acceptable to public opinion.

As for other field sports, the Government at this stage had no proposals to introduce legislation: "But we reserve our freedom to take any action on any other specific activity as may appear necessary or appropriate," she added.

Mr. Alison and other Tory MPs contended that hare coursing was pursued for developing and demonstrating the prowess of dogs—not for the thrill of the kill.

Mersey Docks beats deadline

MERSEY DOCKERS have enabled a Danish cargo ship to continue on her maiden voyage a day early.

The Annette Bentsen, 1,600 gross tons, owned by the Bentsen Line of Copenhagen, arrived at Alexandra Dock, Liverpool, this week to load 2,000 tonnes of lime on pallets for the Virgin Isles. The three gangs of dockers, handling 45 tons a ganger, completed the job in two days.

The Mersey Docks and Harbour Company said yesterday that ICI Chemicals and the agents, W. J. Roberts and Son (Shipping), of Liverpool, had praised the effort.

Auction Diary

THURSDAY, JUNE 19th

STANLEY GIBBONS AUCTIONS LTD., June 19th-20th. All World. Drury House, Russell Street, London WC2B 5HD. For Catalogue Tel. (01) 836 8444.

KING & CHASEMORE at the First Fine Art & Antiques Fair of Great Britain, Earl's Court, London. Paintings 12.30. 3.30 Silver and Jewellery. 6.00 Art Nouveau and Art Deco. (Catalogues from Fine Art Dept., Pulborough, Sussex. (Tel: 2081).

FRIDAY, JUNE 20th

KING & CHASEMORE at Earl's Court. 12.30 Oriental Porcelain. 3.30 Oak and Walnut Furniture, Carpets. 6.00 Pewter, Copper and Brass. Address as Thursday.

SATURDAY, JUNE 21st

KING & CHASEMORE at Earl's Court. 12.30 English and European Porcelain. 3.30 18th and 19th Century Furniture. Clocks and Bronzes. Address as Thursday.

Readers are advised to check all details with the auctioneers before attending sales.

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

ART GALLERIES

CLUBS

EXHIBITIONS

Building output still low but signs of an upturn

BY MICHAEL CASSELL

BUILDING output in the first quarter of this year remained at a very low level, although there is evidence that activity in some sectors has bottomed out.

Mr. Reg Freeson, Minister for Housing and Construction, claimed yesterday that the beginning of an upturn in the construction industry should be apparent by next year. The problem of low demand would remain for some time however and some sectors would be slower to respond than others.

Housing appeared as the brightest sector in the construction industry and he was concerned to see that more homes were provided, more quickly and more cheaply.

The Government's aim was to avoid the violent fluctuations in demand which were so damaging to the construction sector, although it could not escape the general measures which Governments had taken in their efforts to manage the economy.

The construction industry was certainly not being discriminated against with the wide-ranging reductions in public expenditure which had been necessary.

According to provisional figures released yesterday by the Department of the Environment, the value of all construction work carried out by contractors in the first three months of this year reached £2.65bn., a fall of £100m. from the previous quarter but £304m. higher than in the same period a year earlier.

The Department says that, expressed in constant prices and adjusted to exclude normal seasonal variations, output between January and the end of March was up by 0.6 per cent. compared with the fourth quarter of last year, but was still down by 7 per cent. on a year ago.

The latest figures confirm that in terms of overall construction output, the industry presently has little to cheer about, with few indications that an all-round upturn in activity is underway.

There are, however, a few sectors where the outlook does begin to look more encouraging, although it is still widely accepted that output this year will show a further substantial fall on the very poor performance last year.

In council housing, the picture continues to remain rather more encouraging than in the private sector, though with big cuts in public expenditure on the cards, it seems unlikely that this can be relied upon to continue.

Other Home News, Pages 12 and 19

According to the Department, council housing output in the first quarter of this year was valued at £691m. against £650m. in the previous quarter. The figures were £65m. up on a year before. In constant price terms, output in this sector was nearly 5 per cent. higher than in the preceeding quarter and over 10 per cent. up on 12 months ago.

As for private housing, there are continuing indications that the sector is pulling itself out of one of the worst recessions on record, although few people expect a significant revival this year. Output in the first quarter has been provisionally valued at £361m., a rise of nearly £20m. on the preceding quarter and of £85m. over the same period of last year.

Elsewhere, construction work in the public, non-housing sector during the January-March period was 1.8 per cent. better than in the last three months of last year and valued at £540m. Output was still, however, over 9 per cent. down on the first quarter of last year.

The picture for private industrial building work looked slightly more encouraging, with the value of output achieved in the first quarter up by nearly 2 per cent. on the previous three months and a little over 4 per cent. better than in early last year.

In the private commercial building sector, however, the situation remains extremely depressed. Work in the first quarter of this year was valued at only £317m., some £4m. down on the preceeding quarter and, at constant prices, represents a fall of over 7 per cent. When compared with the same period a year earlier, private commercial work was 15 per cent. down in value.

Repair and maintenance work, which has helped many contractors to maintain reasonable work levels during the recession, was valued at £800m. in the first three months of this year, representing no change from the previous quarter when expressed in constant price terms. Activity in this field was nevertheless down by a little over 5 per cent. on a year earlier.

Airways overbooking conviction quashed

AIRLINES WHICH deliberately overbook flights to make sure all seats are filled cannot be prosecuted under the Trade Descriptions Act when a passenger finds there is no room for him, the High Court ruled yesterday.

The judges held that the wording of the Act did not cover advance bookings.

Lord Widgery, the Lord Chief Justice, said the Act related to a false or misleading statement made about a service already given. An advance booking was a future promise of a service and the act did not apply.

The Queen's Bench Diivsional Court allowed an apepal by the British Airways Board against its conviction by Stockport, Cheshire, magistrates on August 12 last year.

No seat

The court was told that the economic viability of airlines depended on al lseats being filled and that a major problem was caused by people who booked but did not arrive for their flight.

Mr. Peter Pain, QC for BAB, said that overbooking was practised by airlines all over the world. From time to time everyone arrived for the flight and then the airline was in difficulty.

"We have all heard announcements at airports asking for volunteers to wait for the next flight and be accommodated free of charge by the airline," he said.

The case against the BAB was started by a passenger, Mr. W. J. Edmunds, of Church Hill Crescent, Rose Hill, Marple, near Stockport.

He booked on what was then a BOAC flight from London to Bermuda on August 29, 1973. His booking was confirmed by letter, but when he arrived at London-Heathrow there was no seat for him on the flight.

Government chooses NEDO for State industries study

FINANCIAL TIMES REPORTER

THE ROLE of the nationalised industries in the economy and ways in which they might be controlled in future are to be the subject of a major study by the National Economic Development Office.

This was announced yesterday when the Government published its reply to a recent report on capital investment procedures by the Commons Select Committee on Nationalised Industries.

The Government has accepted the select committee's recommendation for a study.

The decision follows mounting criticism of the trend towards growing intervention by successive Governments in the operations of the nationalised industries. A group of nationalised industry chairmen, led by Mr. Richard Marsh, chairman of British Rail and a former Labour Cabinet Minister, has recently asked to see either the Prime Minister or Mr. Denis Healey, the Chancellor.

The NEDO study will take into account two reports which the Neddy Council is to consider at its meeting next Tuesday.

One, on Government procedures for authorising investment by the nationalised industries, has been prepared by a working party of Government and nationalised industry officials. The second, dealing with the industries' relations with their suppliers, has been prepared by the Neddy office.

The Government intends to publish a White Paper when the NEDO study has been completed. This will embody the NEDO report and will deal particularly with the Government's relationship with the nationalised industries.

Professor J. B. Heath of the London Graduate School of Business Studies has agreed to act as general consultant to the NEDO team.

In addition Sir Ronald McIntosh, Neddy's director general, has appointed an advisory group consisting of Sir Kenneth Berrill, head of the Central Policy Review Staff, Mr. Nigel Foulkes, chairman of the British Airports Authority, Mr. Raymond Pennock, deputy chairman of ICI, Mr. Bryan Stanley, general secretary of the Post Office Engineering Union and Mr. Michael Young, chairman of the National Consumer Council.

Capital Investment Procedures: the Government's Reply to the First Report from the Select Committee on Nationalised Industries, Session 1973-74. Command 6106: HMSO, 20p.

Commission trims 53 price rises

By Sandy McLachlan

SIX APPLICATIONS for price increases from manufacturing and service companies were rejected by the Price Commission last month, and in 53 cases the rise proposed was modified. Rejections included an application for a 3 per cent. increase in car hire tariff from Avis and a proposed 8.3 per cent. increase in hotel tariffs by Hilton Hotels (U.K.).

The Commission secured price reductions totalling £4m. from 13 distribution companies and one category II service company to eliminate excess gross or net profits over profit margin ceilings.

A further series of reductions totalling £1.8m. was achieved after inspection of records kept by smaller enterprises in category III. Regional offices of the Commision secured 104 voluntary reductions following complaints about price increases.

The Grocer magazine reported yesterday that its food price index went up 0.49 per cent. last week, mainly because of a rise in the cost of fresh foods of 0.80 per cent. Biggest increases were in meat, vegetables and eggs.

The magazine recorded 182 price increases during the week and only three reductions—all of which were on cooking fat. On the basis of The Grocer's index, housewives are paying 21 per cent. more for their groceries than in the same week a year ago.

The fall in sales and manufacture of domestic electrical appliances expected after the 25 per cent. VAT increase in the Budget seems not to have been as severe as forecast.

Manufacturers and retailers, including British Domestic Appliances and Curry's, are guarded in their optimism, claiming that the continuing sales prove that many of the items are not luxuries, as they were made out to be by the Budget, but necessities.

BL leads new price rise round

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITISH LEYLAND announced yesterday that its cars, buses and trucks are to go up by an average of 4.8 per cent. from midnight on Sunday thus beginning the second round of motor industry price increases this year.

The other major British manufacturers are expected to follow suit shortly, in line with the now accepted pattern of quarterly rises.

By limiting the increase to just under 5 per cent. BL has achieved its smallest percentage increase for more than a year, and is tacitly admitting the increasing problems the industry is facing in moving stock.

There is general agreement throughout the car trade that British prices are getting increasingly out of line in relation to those of competitors—an argument which Japanese car importers have used forcefully in defending their own prices.

At the same time, however, the British manufacturers have been reluctant to abandon entirely the scope for three-monthly increases provided by the Price Commission. Yesterday, for example, Ford's managing director, Mr. Terry Beckett, defended the policy as he outlined the inflationary pressures the industry is now having to face.

Writing in the Ford employees' newspaper, he listed a wide range of cost increases to the company since January—many of them since March. These included 11 per cent. for electricity, 28 per cent. for foundry coke, 19 per cent. on sheet and bar steel prices, 5 per cent. on rubber, 20 per cent. on rates, and 7 per cent. on gas. Imported parts had also gone up because of the decline of the pound.

The company was trying to contain increases, he said, but there was "an awful evitability" about rising car prices.

Examples of the new prices are:—

Model	Old price (incl. tax) £	New price (incl. tax) £	Increase £
Mini 850	1,184	1,248	64
Marina 1.3 4dr SDL	1,656	1,751	95
2200 HL	2,424	2,562	138
Triumph Toledo 4dr	1,722	1,825	103
Rover 3500 automatic	3,671	3,768	97
Jaguar XJ12 fuel injection automatic	6,690	6,794	104

Pilkington to dismiss 270

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

PILKINGTON Brothers, Britain's sole manufacturer of flat glass, announced 270 more redundancies yesterday. The group blames "the continuing decline in passenger car sales in the U.K., and the high level of vehicle imports."

The announcement coincided with publication of the Pilkington results for the year to March 31. Taxable profits for the period fell by £20m. to £23.4m.

In the past year Pilkington has shed 2,000 employees, taking the total work force to just over 20,000. This was mainly achieved by voluntary redundancies.

Big economies

The group has decided to close the toughened safety-glass production unit at Triplex, Kings Norton, Birmingham. This will lead to the 270 redundancies, among management and non-staff employees.

"Limited opportunities will be available for redeployment in the Kings Norton aircraft glass factory and elsewhere in the company," said Pilkington yesterday.

Over the last six months Triplex has implemented major economies and has encouraged voluntary redundancy, reducing manning levels by about 10 per cent., and a three-day week has been introduced recently at all its factories.

"It is now necessary to reduce production of toughened glass products further, through the phasing-out of production of toughened at Kings Norton," the Pilkington spokesman added.

Triplex has two other toughened glass plants, at St. Helens, Lancs., and at Larkhall, near Glasgow.

Colour TV snag

Pilkington has also suffered from the very low demand in the U.K. for colour television glassware—"aggravated by high imports of completed TV sets and tubes."

At the television glassware plant at Ravenhead the work force has been cut from 1,300 to 600 and the trade unions have urged the Government to step in with financial help for the plant.

But Pilkington insisted last night that it had not asked for help of this kind.

The sad state of the market has led to a decision by the U.S. group Owens-Illinois not to take up an option to acquire half the Ravenhead operations. This decision does not affect the know-how and licensing agreement between O-I and Pilkington over manufacture of television glassware.

Results, Page 16
Lex, Back Page

Duport sackings

● Some 200 people are to become redundant at the end of the month, announced Duport Steel Co., the largest private-sector steel producer in the U.K.

The company, part of the Duport Group, says employees will be affected at both the Llanelli and the Briton Ferry plants in South Wales. Around 2,500 are currently employed at these works.

Last week another Duport division, Slumberland, the largest bed supplier in Britain, announced 1,000 employees would lose their jobs in August through closure of three factories. In future principal production would be at Tipton, Staffs.

Rees rejects immediate withdrawal from Ulster

BY JOHN BOURNE, LOBBY EDITOR

MR. MERLYN REES, the Northern Ireland Secretary, last night again rejected the view that there would be an immediate withdrawal of the Army from Northern Ireland and restated the Government's wish to make a planned, orderly and progressive reduction in the Army's commitments.

He said at Clifton, Bedfordshire, that the Labour Party supported the Government's intention to phase out detention. He also said that in the last month 81 terrorists, arrested by the RUC, had been sentenced to a total of 500 years in prison and nine others had been given life sentences.

To release everyone now would be a complete abrogation of responsibility in Northern Ireland. Labour's national executive supported the Government's intention to phase out detention for all sections of the community when, but only when the security situation permitted.

"Of course the Provisional IRA cease-fire is fragile. It may yet come to an end. Nevertheless, it has lasted for 18 weeks and Northern Ireland has been spared some at least of the suffering, destruction and loss of lives which might otherwise have occurred.

"Since December 22, when the initial cease-fire of the Provisionals began, I have released 255 persons from detention. And the profile of the Army has been lowered by reductions in the size and frequency of patrols, fewer searches of persons and property and fewer road blocks and vehicle searches."

ICI Wilton workers limit action to overtime ban

BY OUR LABOUR STAFF

PRODUCTION workers at Imperial Chemical Industries big petro-chemicals complex at Wilton, Teesside, decided yesterday to impose an overtime ban from Monday in protest at the company's 26 per cent. pay offer to its 57,000 manual workers in the U.K.

The shop stewards' recommendation to the 6,500 men to strike was rejected, and the company cancelled contingency plans to begin closing down the works.

At the nearby Billingham complex, another 5,000 production workers were voting yesterday on a recommendation to ban overtime with the possibility of strike action from Monday week unless an improved pay offer is forthcoming.

Maintenance craftsmen at both plants are already on strike—their action does not directly affect production—but pickets at Wilton claimed they were turning away nine out of ten vehicles.

Reactions from other ICI factories to the pay offer show many in favour of rejection. The full results will be reported to the company by union negotiators next week.

Birthday honours for businessmen


Sir Don Ryder
(Baron)


William Rodgers
(Privy Councillor)


Vera Lynn
(DBE)

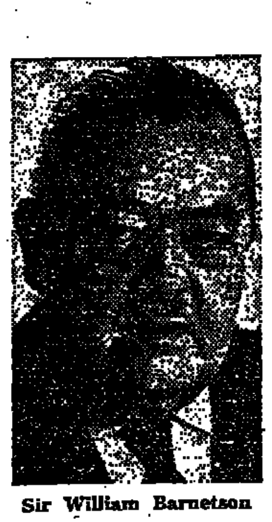

Ralph Bateman
(KBE)

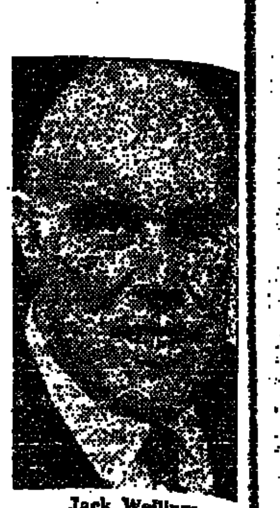

Charles Villiers
(Knight)


Peter Matthews
(Knight)


Fred Kearns
(KCB)


Jasper Hollom
(KBE)


Sir William Barnetson
(Baron)


Jack Wellings
(Knight)

RECOGNITION is accorded to both business and the Civil Service in the Birthday Honours. Acknowledgment is also made, however, of the arts, science, medicine, the law, education, publishing and local government.

Six Life Peers are named, three Privy Councillors and two Companions of Honour appointed and 30 Knights Bachelor.

The following selection includes names of special interest to the business world.

LIFE PEERS

BARONS

Sir William Denholm Barnetson, chairman, United Newspapers.

Mr. John Gregson, managing director, Fairey Engineering.

Mr. Sydney Jacobson, lately editorial director and deputy chairman, International Publishing Corporation Newspapers.

Sir Leslie Maurice Lever, MP for the Ardwick division of Manchester, 1950-70.

Sir Sydney Thomas Franklin (Don) Ryder, industrial adviser to H. M. Government.

Mr. John Farquharson Smith, lately Lord Provost of Aberdeen.

PRIVY COUNCILLORS

Baroness Llewelyn-Davies of Hastoe, Captain of Her Majesty's Body Guard of the Honourable Corps of Gentlemen at Arms.

Mr. Bruce Millan, Minister of State, Scottish Office, MP for the Craigton division of Glasgow.

Mr. William Thomas Rodgers, Minister of State, Ministry of Defence, MP for the Stockton division of Teesside.

COMPANIONS OF HONOUR

Baron Aylestone, lately chairman, Independent Broadcasting Authority.

Baron Morris of Borth-y-Gest, a Lord of Appeal in Ordinary, and Pro-Chancellor of the University of Wales. For public services in Wales.

KNIGHTS

Brigadier John Anstey, president and chairman, National Savings Committee.

Colonel Richard Dawnay Martin-Bird, vice-chairman, Council of Territorial, Auxiliary and Volunteer Reserve Associations.

Mr. George Sidney Bishop, chairman, Booker McConnell.

Mr. Ernest Ashley Bramall, leader, Inner London Education Authority.

Mr. Gordon Frank Claringbull, director, British Museum (Natural History).

Mr. John Halliday Croom, chairman, Scottish Council for Postgraduate Medical Education.

Professor Samuel Frederick Edwards, chairman, Science Research Council.

Mr. Robert Duncan Fairbairn, vice-chairman, Clydesdale Bank. For services to development in Scotland.

Mr. James Bernard Flanagan, Chief Constable, Royal Ulster Constabulary.

Mr. Peter Bernhard Hirsch, Isaac Wolfson Professor of Metallurgy, University of Oxford.

Mr. Henry Charles Husband, senior partner, Husband and Co.

Mr. Sydney Percy King, chairman, Trent Regional Health Authority.

Mr. Arthur William Knight, deputy chairman, Courtaulds.

Mr. Osbert Lancaster, artist, writer and cartoonist.

Professor Edmund Ronald Leach, provost of King's College, University of Cambridge.

Colonel William Allison Lee, chairman, Northern Regional Health Authority.

Mr. Anthony Barub Lousada, chairman, Royal College of Art. For services to the arts.

Mr. John Henry Loveridge, bailiff of Guernsey.

Mr. Peter Alec Matthews, managing director, Vickers. For services to export.

Mr. David Lancaster Nicolson, chairman, British Airways Board.

Professor Alfred Brian Pippard, Cavendish Professor of Physics, University of Cambridge.

Mr. Victor Sawdon Pritchett, author and critic.

Mr. Edward Henry Sibbald Singleton, president, the Law Society.

Mr. Rodney Geoffrey Swiss, president, General Dental Council.

Dr. Daniel Thomson, Civil Service medical adviser.

Mr. Charles Hyde Villiers, chairman, Guinness Mahon and Co. For services to industry.

Mr. Ronald Wallace Wates. For charitable and philanthropic services.

Mr. Jack Alfred Wellings, chairman and managing director, the George Cohen 600 Group. For services to export.

Mr. Stanley Graham Yapp, leader, West Midlands County Council.

Mr. William Young. For services to agriculture in Scotland.

ORDER OF THE BATH

GCB

Sir Philip Rogers, Permanent Secretary, Department of Health and Social Security.

KCB

Mr. Peter Gordon Henderson, Clerk of the Parliaments, House of Lords.

Mr. Fred Matthias Kearns, Second Permanent Secretary, Ministry of Agriculture, Fisheries and Food.

Mr. Patrick Dalmahoy Nairne, Second Permanent Secretary, Cabinet Office.

Mr. Norman Charles Price, chairman, Board of Inland Revenue.

Dr. Henry Yellowlees, chief medical officer, Department of Health and Social Security.

CB

Mr. Francis Russell Barratt, Deputy Secretary, H. M. Treasury.

Mr. David Ernest Belham, principal assistant solicitor, Department of Employment.

Mr. Augustus Fitzhardinge Maurice Berkeley, lately chief registrar in bankruptcy, the High Court.

Mr. John Outhit Harold Burrough, Foreign and Commonwealth Office.

Mr. Alun Sylvester-Evans, deputy chief executive, Property Services Agency, Department of the Environment.

Mr. Tony Richard Hillier Godden, Secretary, Scottish Economic Planning Department.

Mr. David Cuthbert Lyall Holland, librarian, House of Commons.

Mr. Edward Alexander Johnston, Government actuary.

Mr. David le Brun Jones, Deputy Secretary, Department of Industry.

Mr. Victor Harry Burton Macklen, deputy chief adviser (projects and nuclear), Ministry of Defence.

Mr. Wulf Rodoe, Under Secretary, Department of Health and Social Security.

Mr. Frank William Glaves-Smith, deputy director general, Office of Fair Trading.

Mr. Derek Ronald James Stephen, Deputy Under-Secretary of State, Ministry of Defence.

Mr. Kenneth Taylor, secretary, Export Credits Guarantee Department.

Mr. Leonard Williams, Deputy Secretary, Department of Energy.

Mr. Henry Woodhouse, principal assistant solicitor, Department of the Environment.

Mr. John Moss Woolf, deputy chairman, Board of Customs and Excise.

Mr. Eric David Wright, Deputy Under-Secretary of State, Home Office.

ORDER OF ST. MICHAEL AND ST. GEORGE

CMG

Mr. Joseph Duntherne Briggs Fowells, assistant director general (regional), the British Council.

Mr. Michael Lawrence McCaul, senior technical adviser, Ministry of Defence.

Mr. John Malcolm Mackintosh, Assistant Secretary, Cabinet Office.

Professor Dudley Seers, Fellow, Institute of Development Studies, University of Sussex. For services to overseas development.

Mr. Graeme McDonald Wilson, British civil aviation representative in the Far East.

ROYAL VICTORIAN ORDER

KCVO

Mr. Andrew Hunter Carnwarth, chairman, investment management committee, Church of England.

Mr. Robert Christopher Mackworth-Young, librarian, Windsor Castle.

CVO

Mr. Robert Temple Armstrong, principal private secretary to the Prime Minister.

Mr. John Arkwright Bonham-Carter, chairman and general manager, British Railways, London Midland region.

Mr. Kenneth William Stewart MacKenzie, Assistant Secretary, Department of the Environment.

Mr. William Reginald James Pullen, registrar, Westminster Abbey.

MVO

Dr. John Pilkington Clayton, Surgeon Apothecary to HM Household at Windsor.

ORDER OF THE BRITISH EMPIRE

DBE

Miss Bridget D'Oyly Carte. For services to the D'Oyly Carte Opera Trust.

Dr. Frances Violet Gardner (Mrs. Qvist), Dean, Royal Free Hospital School of Medicine.

Miss Wendy Hiller, actress.

Miss Margaret Henderson Kidd (Mrs. Macdonald), lately sheriff principal, Sheriffdom of Perth and Angus.

Miss Vera Lynn, singer. For charitable services.

Mrs. (Mildred) Betty Ridley, Third Church Estates Commissioner. For services to the Church of England.

KBE

Mr. Ralph Melton Bateman, president, Confederation of British Industry.

Mr. Jasper Quintus Hollom, deputy governor, Bank of England.

CBE

Mr. L. W. L. Alston, chairman and managing director, Alston Group of Companies.

Mr. W. G. Bor, partner, Llewelyn-Davies Weeks, Forestier-Walker and Bor.

Brian Close. For services to cricket.

Fay Compton, actress.

Norman Del Mar, conductor.

Mr. P. E. Gallaher, chairman, North West Region, British Gas Corporation.


Chief Inspector Brian Fisher
(MBE)

Mr. J. F. Gill, deputy chairman and finance director, Associated Television Corporation.

Mr. M. F. Gordon, chairman, Northern Ireland Training Council.

Mr. H. B. Grant, Scottish secretary, Confederation of British Industry.

Mr. J. C. Grant, editor, the Aberdeen Press and Journal.

Mr. H. B. Greenborough, chief executive and managing director, Shell-Mex and BP.

Mr. K. M. Hamilton, chairman and managing director, Blackwood Morton and Sons (Holdings).

Mr. T. C. Hudson, chairman, International Computers Holdings.

Mr. A. Hunter, director, Royal Greenwich Observatory.

Philip King, sculptor.

Philip Larkin, poet and novelist.

Mr. R. L. E. Lawrence, member, British Railways Board.

Mr. J. Lunch, director-general, Port of London Authority.

Mr. K. M. McLeod, lately Board member and financial controller, British Airports Authority.

Mr. P. J. Manson, chairman, Northern Ireland Postal and Telecommunications Board.

Norman Marshall. For services to drama.

Professor Denis Matthews, pianist.

Mr. A. G. Milne, chairman, South Eastern Electricity Board.

Mr. D. M. Milne. For services to agriculture in Scotland.

Mr. D. B. Montgomery, overseas trade consultant. For services to export.

Mr. F. W. W. Morley, divisional director (design), Rolls-Royce (1971).

Mr. M. G. Moss, deputy chairman, Design Council.

Mr. J. A. R. G. Murray, chairman, John Murray (Publishers).

Mr. W. R. Nichols, clerk of the Salters Company.

Mr. K. A. Noble, deputy chairman, Price Commission.


Harold Brockman
(OBE)

Mr. A. D. Percival, principal, Guildhall School of Music and Drama.

Mr. C. T. H. Plant, general secretary, Inland Revenue Staff Federation.

Brigadier R. H. S. Popham, lately swordbearer, City of London.

Mr. J. D. Profumo. For services at Toynbee Hall.

John Shirley-Quirk, singer.

Mr. A. M. Rendel, lately diplomatic correspondent, The Times.

Mr. P. W. J. Reynolds, group managing director, Ranks Hovis McDougall.

Mr. H. Ridehalgh, senior partner, Sir William Halcrow and Partners. For services to export.

Mr. John Russell, art critic.

Mr. N. Siddall, deputy chairman, National Coal Board.

Mr. A. B. Smith, lately non-executive chairman, Rover Triumph Division, British Leyland Motor Corporation.

Mr. P. W. Smith, executive vice-president, British Textile Employers' Association.

Mr. T. M. Sugden, chief executive, Shell Research.

Mr. E. M. Summers, managing director, British Steel Corporation (Chemicals).

Mr. L. E. Thompson, chairman, Westinghouse Brake and Signal Company. For services to export.

Tommy Trinder, comedian. For charitable services.

Mr. R. St. John Pitts-Tucker, lately general secretary, Headmasters' Association and Headmasters' Conference.

Peter Ustinov. For services to the theatre.

Mr. R. Waterworth, managing director, David Brown Gear Industries.

Mr. T. D. Weatherhead, managing director, Hunting Surveys and Consultants.

Mr. G. G. Williams. For services to agriculture.

Mr. M. J. C. Hutton-Wilson, lately deputy chairman, Albright and Wilson.

Mr. F. F. Wolff, chairman, the Federation of Commodity Associations.

Mr. J. A. Young, chairman, Young and Co's. Brewery.

OBE

Mr. E. S. Allwright, quality control director, Commercial Aircraft Division, British Aircraft Corporation.

Mr. E. L. Archer, director of personnel, the Boots Company.

Captain K. Barnett, lately Commodore Master, General Cargo Division, Peninsular and Oriental Group.

Mr. R. Beasley, general manager, Product Support, Industrial and Marine Division, Coventry, Rolls-Royce (1971). For services to export.

Mr. F. E. Bell, director, the Bell Educational Trust.

Mr. S. R. Blackley, managing director and secretary, British Wool Marketing Board.

Mr. H. A. N. Brockman, architecture correspondent, Financial Times.

Mr. J. D. Campbell, general manager, West of Scotland Trustee Savings Bank.

Mr. K. C. G. Chambers, general treasurer, the Royal British Legion.

Mr. A. G. J. Chandler, Clerk to Justices, Guildhall Justice Room, City of London.

Mr. D. M. Cherry, director-general, Transmission Development and Construction Division, Central Electricity Generating Board.

Mr. J. L. Clifford, managing director, Frank W. Clifford.

Mr. E. G. Cornish, chairman and joint managing director, G. E. Wallis and Sons.

Honours list —

Mr. F. J. Cuthbertson, director, Glaxo Research Company.

Miss Clare Lawson Dick, controller, Radio 4, British Broadcasting Corporation.

Mr. J. H. Dollan. For services to journalism in Scotland.

Clive Dunn, actor.

Mr. J. G. Durward, chairman, Scottish Professional Golfers' Association.

Mr. T. B. Fahy, deputy secretary, Birmingham Chamber of Industry and Commerce. For services to export.

Benjamin Foster. For services to cycling.

Mr. A. W. Goodliffe, technical director, Flight Refuelling. For services to export.

Mr. V. P. Gorringe, editor-in-chief, Brighton Evening Argus.

Mr. G. N. Green, chief cashier, Lloyds Bank.

Mr. A. Holden, director (refining) Texaco and manager Pembroke Refinery.

Miriam Karlin, actress.

Mr. J. M. Kelly, chairman and managing director, Falls Flax Spinning Company.

Mr. A. R. Kennedy, lately senior partner, Gurney and Co.

Professor P. L. Kirby, director of research, Welwyn Electric.

Mr. F. P. M. Kerr, director, Constructors John Brown. For services to export.

Mr. T. S. Lansley, chairman, Medical Laboratory Technicians Board.

Mr. J. Leicester, director of research, British Launderers' Research Association.

Mr. C. Lloyd, secretary treasurer, Professional Footballers Association.

Mr. R. T. Lyne, lately assistant to chairman, Imperial Chemical Industries Fibres.

Mr. A. Macdonald, chief executive, Shipbuilding Industry Training Board.

Miss E. H. G. McIntyre, Scottish district secretary, National Union of Hosiery and Knitwear Workers.

Mr. G. McKay, director of technical services, National Bus Company.

Mrs. F. P. A. McLaughlin, chairman, Steering Group on Food Freshness. For services to consumer interests, especially in relation to food.

Mr. K. W. Matchett, lately general manager and secretary, Bournemouth Symphony Orchestra.

Mr. J. B. Mathers, director, G. R. Hullock.

Miss R. M. Maurice (Mrs. Jackson), managing director, the Wolf Safety Lamp Company.

Mr. J. Millbanch, secretary, United Textile Factory Workers' Association.

Commander F. C. Morgan, manager, Summerfield Research Station, Imperial Metal Industries.

Colonel F. K. Morgan, chairman, South Wales Area Appeal for the Army Benevolent Fund and a director of a number of companies.

Mr. A. Napier, field sales manager, Thomas de la Rue and Co.

Mrs. S. F. M. Niblett, chairman, Domestic Coal Consumers' Council.

Major L. Petch. For services to horse racing.

Mr. D. A. Philp, director, Fyffes Group.

Roy Plomley, broadcaster.

Douglas Robinson, lately Chorus Master, Covent Garden Opera Company.

Mr. H. L. Scott, lately senior partner, Lacy Scott and Sons.

Mr. R. S. Sedgwick, commercial director, Welsh Industrial Estates Corporation.

Mr. G. D. Speake, technical director, GEC-Marconi Electronics.

Rosemary Sutcliff, writer.

Mr. F. P. Tanner, lately managing director, Howson-Algraphy. For services to export.

Mr. E. V. Thomas, lately managing director, May and Baker.

Mr. N. A. Vanderpump, director, C. J. Vander. For services to export.

Mr. E. L. C. White, consultant, EMI.

Mr. Andrew Young, director, Scottish Shelton and East Moors Group, General Steels Division, British Steel Corporation.

Mr. W. M. Young, director and group general manager, Eastern Counties Newspapers.

Mr. G. G. Zahler, managing director, Instron. For services to export.

MBE

Mr. J. J. Amos, director, Ross Foods. For services to export.

Mr. S. L. Anderson, special projects director, Wool Industries Research Association.

Mr. W. B. Boulton, secretary, North West Area Committee, National Union of Agricultural and Allied Workers.

Mr. W. A. G. Brian, secretary/accountant, Marconi Instruments.

Mr. J. M. Carter, formerly managing director, Matramatic Company. For services to export.

Mr. A. H. Dixon, divisional manager, sales and marketing, Davy Ashmore International. For services to export.

Gareth Edwards. For services to Welsh Rugby Football.

Mr. W. E. Fairley, deputy editor, Parliamentary Services, Press Association.

Mr. R. Falconer, timber buyer, A. H. McIntosh and Co.

Mr. W. B. Gillespie, Northern Ireland District Secretary, Amalgamated Transport and General Workers' Union.

Mr. S. H. Gurney, lately assistant secretary, Civil Service Union.

Mr. A. S. Halstead, engineering manager (Construction Equipment), Marshall Fowler.

Mr. A. R. B. Hore, executive secretary, East European Trade Council. For services to export.

Mr. G. L. Hunter, chairman, Shetland Branch, Scottish Herring Producers' Association.

Mr. A. H. Jolly, chief test engineer, Vickers, Barrow Engineering Works, Barrow-in-Furness.

Mr. E. B. Jones, director, Crystal Palace National Sports Centre.

Mr. B. E. Keeling, chairman and managing director, Britella. For services to export.

Mr. H. Kelly, production manager, Stainless Steel Wire Section, Arthur Lee and Sons.

Miss F. D. Laver, personal secretary, W. B. Chivers and Sons.

Mr. J. M. Leahy, lately contracts manager, Remploy.

Lt.-Col. J. L. Littlewood, secretary, Wiltshire branch, National Farmers' Union.

Mr. G. R. McCullough, manufacturing manager, Marconi Radar Systems.

Mr. A. S. R. Macindoe, general manager, Glasgow branch, Redpath Dorman Long, British Steel Corporation.

Mr. J. S. McMichael, manager military security, EMI Electronics.

Mrs. R. Maskman, personal secretary, British Paper and Board Industry Federation.

Mr. R. Matthews, secretary, Coal Merchants Federation of Great Britain.

Captain C. W. B. Mitchell, manager, Marine Administration, British and Commonwealth Shipping Company.

Sandy Powell, comedian.

Mr. K. E. Preece, production design engineer, the Lucas Electrical Company.

Mr F. W. J. Randall, director, Serck Audco Valves.

Mr. C. Risbridger, deputy projects engineer, chief inspector, Park Royal Vehicles.

Mr. J. G. Scott, manager, industrial safety department, Eagle Star Insurance Group.

John Sherwood. For services to athletics.

Sheila Sherwood. For services to athletics.

Mr. J. E. Simpson, chairman, Fire Fabrications.

Mr. F. D. Smith, general manager, Nottingham Trustee Savings Bank.

Mr. W. E. Stabler, lately leading checker, Vickers Engineering Group.

Mr. E. A. Storer, technical director, Cargo Aids.

Mr. P. H. Sweetzer, managing director, Trade Promotion Services. For services to export.

Mr. J. E. Timmins, departmental principal, Prudential Assurance Company.

Mr. P. J. Walmsley, exploration manager, BP Petroleum Development.

Mr. F. G. Wynne, deputy chairman, Midlands Electricity Consultative Council.

Mr. H. H. Yates, director of sales overseas, Export Division, Reckitt and Colman (Overseas). For services to export.

MOORGATE TUBE CRASH AWARDS

The following have been honoured for their devotion to duty in the aftermath of the Moorgate tube crash: Mr. G. R. Hafier, London Transport (OBE); Chief Inspector B. E. Fisher, City of London Police (MBE); Miss W. J. Cross, London Hospital (MBE); Mr. D. G. Evans, St. Bartholomew's Hospital (MBE); Mr. R. M. Furlong, London Fire Brigade (BEM); Mr. L. Lougher, London Transport (BEM); Mr. R. J. Perkins and Mr. J. C. Russell, London Ambulance Service (BEM).

London Clearing Banks' balances

as at May 21, 1975

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES

LIABILITIES	Total outstanding £m.	£m.	Change on month £m.	£m.	*Change on year £m.	£m.
Current and deposit accounts						
U.K. banks						
Sterling	2,483		−330		− 981	
Other currencies	2,201		+ 75		+ 375	
Other U.K. residents						
Sterling	21,345		+ 49		+2,368	
Other currencies	503		− 11		+ 89	
Overseas residents						
Sterling	1,457		+ 7		+ 281	
Other currencies	6,128		+ 3		+ 856	
Negotiable certificates of deposit						
Sterling	2,019		− 46		− 837	
U.S. dollars	824		+113		+ 35	
Total						
Sterling	27,304		−320		+ 831	
Other currencies	9,656		+180		+1,355	
		36,960		−140		+2,186
Other accounts	Unavailable					
ASSETS						
Coin, notes and balances with Bank of England		1,071		+ 55		+ 131
Balances with other U.K. banks						
Sterling	4,359		−476		− 810	
Other currencies	2,336		−190		− 113	
		6,695		−666		− 923
Money at call and short notice						
To discount houses	1,278		+ 27		+ 118	
To other borrowers	180		+ 6		+ 32	
		1,458		+ 33		+ 150

ASSETS, continued	Total outstanding £m.	£m.	Change on month £m.	£m.	*Change on year £m.	£m.
Sterling bills discounted						
British Government Treasury bills	519		+122		+ 414	
Other U.K. bills	891		+ 46		+ 191	
Other	50		+ 12		+ 18	
		1,460		+180		+ 623
Special deposits with Bank of England		636		+ 1		+ 41
British Government stocks						
Up to five years to maturity	1,322		+ 7		+ 80	
Over five years and undated	145		− 6		− 47	
		1,467		+ 1		+ 33
Advances						
U.K. residents						
Sterling	14,766		− 4		+ 702	
Other currencies						
Public sector	749		+ 29		+ 576	
Private sector	1,299		+ 95		+ 249	
Overseas residents						
Sterling	1,148		+ 68		+ 192	
Other currencies	5,145		+139		+ 551	
		23,107		+327		+2,270
Sterling loans to U.K. local authorities		1,001		+107		+ 242
Negotiable sterling certificates of deposit		750		− 44		− 339
Other assets						
Sterling	Unavailable					
Other currencies	Unavailable					
Acceptances	Unavailable					

* Changes do not reflect the initial inclusion of new contributors during the period.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

	TOTAL Outstanding £m.	TOTAL Change on month £m.	BARCLAYS Outstanding £m.	BARCLAYS Change on month £m.	LLOYDS Outstanding £m.	LLOYDS Change on month £m.	MIDLAND Outstanding £m.	MIDLAND Change on month £m.	NATIONAL WESTMINSTER Outstanding £m.	NATIONAL WESTMINSTER Change on month £m.	WILLIAMS & GLYN'S Outstanding £m.	WILLIAMS & GLYN'S Change on month £m.
LIABILITIES												
Total current, deposit and other accounts	36,960	−140	9,414	− 50	6,746	−294	7,364	−179	11,982	+428	1,454	− 45
ASSETS												
Cash and balances with the Bank of England and other U.K. banks	7,766	−611	1,873	− 24	1,725	−347	1,318	−222	2,330	− 67	270	− 51
Money at call and short notice	1,458	+ 33	534	+ 7	151	− 86	238	+ 59	492	+ 33	43	—
Sterling bills discounted	1,460	+180	337	+ 91	239	+ 25	437	+ 59	348	+ 3	49	+ 2
Special deposits with Bank of England	636	+ 1	185	+ 1	96	+ 2	128	+ 1	206	− 3	21	—
British Government stocks	1,467	+ 1	434	+ 1	323	+ 10	211	− 18	491	+ 7	8	+ 1
Advances	23,107	+327	5,996	−157	4,128	+104	4,613	+ 85	7,311	+273	1,059	+ 22
Other assets (incl. sterling loans to local authorities and negotiable sterling certificates of deposit)	Unavailable											

TABLE 3. CREDIT CONTROL INFORMATION (Parent banks only)

	TOTAL Outstanding £m.	TOTAL Change on month £m.	BARCLAYS Outstanding £m.	BARCLAYS Change on month £m.	LLOYDS Outstanding £m.	LLOYDS Change on month £m.	MIDLAND Outstanding £m.	MIDLAND Change on month £m.	NATIONAL WESTMINSTER Outstanding £m.	NATIONAL WESTMINSTER Change on month £m.	WILLIAMS & GLYN'S Outstanding £m.	WILLIAMS & GLYN'S Change on month £m.
Eligible liabilities	18,753	+230	5,805	+106	2,886	+ 17	3,833	+ 15	5,592	+112	637	− 20
Reserve assets	2,547	+ 79	776	+ 37	405	− 9	533	+ 28	746	+ 31	87	− 8
Reserve ratio (%)	13.6	+ 0.3	13.4	+ 0.4	14.0	− 0.4	13.9	+ 0.7	13.3	+ 0.3	13.7	− 0.8

A list of the banks and their subsidiaries which are included in the statement is as follows—**Barclays**: Barclays Bank International Ltd., Barclays Bank (London and International) Ltd., Barclays Bank Finance Company (Jersey) Ltd., Barclays Finance Company (Guernsey) Ltd., Barclays Finance Company (Isle of Man) Ltd.; **Lloyds**: Lewis's Bank Ltd., Lloyds Associated Banking Company Ltd., Lloyds Bank International Ltd., LBI Finance (Guernsey) Ltd., LBI Finance (Jersey) Ltd., The National Bank of New Zealand Ltd.; **Midland**: Midland Bank Trust Corporation (Guernsey) Ltd., Midland Bank Trust Corporation (Jersey) Ltd., Midland Bank Trust Corporation (Isle of Man) Ltd., Forward Trust Ltd., Samuel Montagu and Co. Ltd., Samuel Montagu (MBFC) Ltd.; **National Westminster**: Coutts and Co., Coutts Finance Company, County Bank Ltd., Isle of Man Bank Ltd., Lombard North Central Ltd., Lombard Bank Isle of Man Ltd., Lombard Banking (Jersey) Ltd., National Westminster Bank Finance (CI) Ltd., International Westminster Bank Ltd.; **Williams and Glyn's**: Williams, Glyn and Co., Williams and Glyn's Bank Investments (Guernsey) Ltd., Williams and Glyn's Bank Investments (Jersey) Ltd., Williams and Glyn's Bank (Isle of Man) Ltd., Cripps Warburg Ltd.

. Two additions have recently been made to the list of banks included in the London Clearing Banks' Monthly Statement. These are Midland Bank Trust Corporation (Isle of Man) (as from January 15, 1975) and Cripps Warburg (as from March 19, 1975). The effects of these additions in coverage on the amounts outstanding have been excluded from the monthly and yearly changes in the statement, which are not, therefore, distorted on this account.

'Clay Cross' Bill faces wrecking bid by Hailsham

BY JOHN BOURNE, LOBBY EDITOR

LORD HAILSHAM, the former Conservative Lord Chancellor, has tabled amendments designed to wreck the prime purposes of the Government's "Clay Cross" legislation. They are expected to win overwhelming Liberal and Tory support in the Lords and to force the Government to try to send the amendments back to the Lords for reconsideration.

The Housing Finance (Special Provisions) Bill, now with the Lords, has three aims. These are:

1—To prevent surcharges on individual councillors who did not implement the Tories' legislation to raise council rents;

2—To instruct local authorities to recover any rent loss within five years by increasing rents or by a charge on the rates;

3—And to end the disqualification for election arising from any councillors' being surcharged and failing to pay—such as the Clay Cross Labour councillors.

Lord Hailsham's amendments seek to give the High Court or in some cases a county court power to order any surcharged councillor to pay to the council a sum not exceeding £1,000, and to disqualify anyone surcharged more than £2,000 from being a member of a local authority for up to five years.

This would depend on the individual circumstances of the case, including the councillor's financial means and whether the court found him guilty of wilful deceit.

Finally Lord Hailsham seeks to impose the duty for recovering any remaining loss on the local authority, not through raising rates but by increasing rents.

Education deal with Saudis

MR. E. G. HALESTRAP, director of the British Council's Paid Educational Services Unit, has signed a £1m. contract with Saudi Arabia. The British Council will set up English teaching programmes in the faculties of engineering and medicine at the King Abdul Aziz University of Jeddah. The programmes will be designed to enable up to 320 students to handle technical information presented in English at the level required for their second year of study.

The British Council will recruit teaching staff for the project and arrange for the supply of educational equipment from Britain.

The contract is the first signed with Saudi Arabia under the Paid Educational Services Scheme.

Tribune Group members' 'Loony Left' warning

BY JOHN BOURNE, LOBBY EDITOR

MR. LESLIE HUCKFIELD, Labour MP for Nuneaton and a member of the Left-wing Tribune Group, yesterday dissociated himself from the group's recent letter to the Prime Minister, and said that there was a danger that its members would earn the title "The loony Left."

There was an urgent need for a transfusion of commonsense into the tactics of the group, Mr. Huckfield said.

"The letter to Mr. Wilson on Wednesday night, following the Cabinet reshuffle, was another typical example of the Tribune Group's hasty over-reaction. I strongly dissociate myself from that letter.

"Because all of this has once again been combined with statements attacking the party leadership, if we carry on in this fashion we run every danger of earning the permanent label of the loony Left.

"And we haven't started the real argument yet because the great crunch over the party's economic policy has yet to come.

"How on earth can we expect people to take the Left seriously if we carry on like this? I am hoping to raise the whole matter of the group's policy and tactics at its usual meeting on Monday."

Referendum viewing

WHEN both ITV and BBC-1 were covering the Referendum count, the share of the total audience of 2m. homes over the period 1200 to 1330 hours was 64 per cent. ITV and 36 per cent. BBC-1, and the total audince of 2.75m. homes over the period 1400 to 1600 hours divided 67 per cent. ITV and 33 per cent. BBC-1.

APPOINTMENTS

Chloride Group Board post

Mr. K. R. T. Hodgson, deputy chairman of Chloride's overseas division, has been appointed to the main Board of CHLORIDE GROUP.

★

Mr. Graham Blower has joined STANDARD ENGINEERING COMPANY, part of the Halma Group, as production director.

★

Mr. T. G. Shipton, managing director of the motor division, and Mr. M. Ruck, managing director of the engineering division, have been appointed associate directors of DORADA HOLDINGS.

★

Mr. Joe Bidder, manager of the West European sales division of DAVY POWERGAS, has been appointed an associate director of the company.

★

Mr. K. G. Clark, Mr. J. A. G. Clark and Mr. E. J. Garner, have been appointed to the main Board of the BATH AND PORTLAND GROUP.

★

Mr. David W. Anderton has been appointed to the Board of LEIGH INTERESTS, in place of Mr. W. F. Stretton, who has resigned.

★

Mr. Brian Coulton, vice-chairman of Harrison and Sons, has been elected president of the INTERNATIONAL MASTER PRINTERS ASSOCIATION.

★

Mr. Michael Hunka, presently chairman and managing director of ROSSETTI (HOUSE OF MUSIC) AND CO., has been appointed executive chairman of the company. Mr. Michael Cowan, assistant managing director, becomes managing director. Mr. Richard Watt, director of administration becomes assistant managing director. Mr. Peter Tullett becomes sales director, and Mr. John Thompson becomes director of special projects.

Mr. Boyd Bigley has been appointed secretary and accountant of PANTAK (EMI). He was previously finance and administration manager in EMI's central research laboratories.

Both companies of part of the EMI group.

★

Mr. David H. L. Parry-Richards has been appointed marketing director for BRITTAINS PAPER from July 1.

★

Mr. E. R. Hostombe has resigned as chairman and managing director of R. HOSTOMBE. He will continue as a consultant and director, and is succeeded as chairman by Mr. K. E. Hostombe and as managing director by Mr. A. W. Quick. Mr. J. D. Proctor has been appointed a director.

★

RTZ INDUSTRIES will from July 1 be the new name of RTZ Europe, a subsidiary of the Rio Tinto-Zinc Corporation. Mr. R. W. Wright, in line with his relinquishing his executive functions in the RTZ Group, has resigned as chairman of RTZ Europe, and Mr. K. F. Lane has resigned from the deputy chairmanship of RTZ Europe and the chairmanship of its subsidiary Capper Pass, following his resignation from the Board of RTZ. The Board of RTZ Industries will be as follows: Mr. J. A. Paterson, chairman and chief executive; Mr. D. Edwards, Mr. D. R. Miller and Mr. W. E. Stracey, deputy chairmen.

The executive directors are Mr. D. G. Coughlan, Mr. D. E. Davey, Mr. A. G. Davies, Mr. P. H. Dean, Mr. A. C. R. Elliott, Mr. M. M. Freeman, Mr. E. S. Greenwood, Mr. K. F. Lane, Mr. B. Manning, Mr. R. W. Rowe, and General J. D. B. Smith. Company secretary is Mr. D. A. Streatfeild.

★

Following his appointment as directeur generale of Kleinwort Benson (Geneva) S.A., Mr. M. C. Devas has decided to relinquish the chairmanship of the CHARTER TRUST AND AGENCY and will be succeeded by Mr. H. C. Baring, who has been a director of the company for the last 15 years. Mr. Devas will remain on the Board and has appointed Mr. D. A. C. Lawrence his permanent alternate.

★

Mr. H. Webster has succeeded Mr. R. King as managing director of CLOVER DAIRIES. Mr. King continues as chairman of the company.

★

Mr. J. H. Scrutton has been appointed a director of ST. GEORGE ASSETS.

★

Mr. M. Lander, consulting actuary, has been appointed chairman of the NATIONAL ASSOCIATION OF PENSION FUNDS. In addition, Mr. K. G. Smith, pensions manager of the British Steel Corporation, has been appointed vice-chairman and Mr. W. G. Ashley has been re-appointed honorary treasurer.

★

Mr. George Forbes, formerly financial director of the Rainbird Publishing Group, has been appointed a deputy managing director of SPHERE BOOKS. Mr. T. N. Wilton-Steer has been appointed sales director of Sphere Books from September. Mr. Wilton-Steer is presently home sales manager of Pan Books.

★

Mr. Brian Saunders has resigned as director of VENESTA INTERNATIONAL but continues as chairman and managing director of Keizer Venesta.

★

Mr. R. H. Patten has been appointed to the Board of PERTWEE HOLDINGS.

★

Mr. C. C. Job, chairman of the Royal Arsenal Co-operative Society, has been elected to serve for one year on the Board of the CO-OPERATIVE WHOLESALE SOCIETY.

OVERSEAS NEWS

ANGOLAN LIBERATION MOVEMENTS

A bid to avoid civil war

BY JANE BERGEROL IN LISBON

THE SUMMIT meeting in Kenya to-day between the three Angolan Nationalist leaders, Holden Roberto, of FNLA, Agostinho Neto, of NPLA, and Jonas Savimbi of Unita, is the latest attempt to bring the three rivals for power in Angola to unite and stop their armies' fighting, assuring independence from Portugal on November 11 without civil war. Previous agreements have never been respected for more than a few days before fighting broke out again.

Angola, Portugal's "Jewel in Africa," with vast oil, diamond, iron ore and manganese reserves, a sparse population of 5.5m. spread over a country considerably larger than France, is tragically on its way to becoming Africa's shame.

Full scale civil war on the pattern of Katanga or Biafra is a real possibility. Much of support for the rival movements is on a tribal basis and Blacks in the capital city of Luanda, subjected to three months of fierce though sporadic FNLA-MPLA fighting are now demanding to return to their villages. Thousands—perhaps 5,000 or more—have been killed, hundreds wounded and left homeless by fighting between the Zaire-based National Front for the Liberation of Angola (FNLA) and the socialist popular movement for the liberation of Angola (MPLA), the two oldest liberation movements who put up the fiercest armed struggle against Portugal during the decade of colonial wars.

The large white Portuguese population of half a million is panic stricken by the fighting and already prey to racism with poor Whites being evicted from their shantytown homes. More than 200,000 are signed up on waiting lists for emergency evacuation to Portugal. Racial conflict is increasingly possible as Whites in the cities are backing FNLA and Unita, while urban Blacks are—or were till the fighting flared—predominantly MPLA.

Few people are optimistic enough to believe independence wil be reached without more widespread fighting. So far, the third liberation movement, Jonas Savimbi's Unita (National Union for the total independence of Angola) has kept its troops almost entirely outside the violence. Because of this and because Unita is situated politically between the frankly capitalist FNLA and the socialist MPLA, whose well-mapped policies hinge on state control of natural resources and participation by the people in a Marxist-oriented national development, Dr. Savimbi is increasingly seen as the mediator who can bring together the three movements.

But pressures in Angola and outside against such unity appear almost insuperable. Outside, Portugal fears "Vietnamisation" of the conflict since Angola's future politics will have a decisive influence on southern Africa as a whole. The socialist block forming between Tanzania, Frelimo's Mozambique and Zambia, according to U.S. strategic thinking, should be "balanced" by a captitalism-oriented Zaire, Gabon, and Angola. There are consequences for the liberation of Namibia, on Angola's southern border, too.

International involvement with the three movements has been both open and clandestine. China has given strong military aid and training to Holden Roberto's FNLA in Zaire, which was openly supported by the U.S. in the early 1960's and still receives a welcome in U.S. embassies. The Soviet Union provided arms and training for MPLA, while Unita had Portuguese weapons prompting allegations that the movement was working with Portugal to stop MPLA's advance across the territory.

Who finances whom to-day? China has just received a top MPLA delegation, Holden Roberto has been to Arab States and Savimbi spends considerable time canvassing African support. The U.S. has appointed its former Ambassador to Allende's Chile as Head of African Affairs in the State Department—vehemently opposed by the OAU—and its southern African ambassadors have previous similar Latin American experience.

Inside Angola, the pressures are as fierce. FNLA is thought to be strong in the Northern Bakongo area from whence its leaders come, but Holden Roberto's last appearance in Angola has yet to be recorded; there are many who wonder if he will ever enter the country. Many Bakongo refugees formerly in Zaire and uprooted by FNLA to force their return to Angloa are also reported unhappy. FNLA may have the strongest army—which it has now unleashed in three offensives against MPLA—but its ability to win popular support in the face of its Zairean image, its evident wealth, its largely French-speaking army and its military offensives inside Angola since March appears dubious.

MPLA, damagingly split three ways in a leadership crisis in 1974, which ended in a popular commander, Daniel Chipenda, joining with FNLA, commands wide grassroots support in urban Angola. Its tribal basis also covers thinly-populated areas in the interior, but its main efforts have been in its small liberated areas and in towns where it has mobilised the people for the political struggle for socialism.

It is impossible to estimate how much these urban Angolans have been discouraged by the fierce FNLA-MPLA fighting and are transferring their support to Unita. The youngest of the three movements, its leaders are a mixture of pragmatists, Marxists and middle-of-the-road nationalists. Unita's trump card has proved to be the charismatic Jonas Savimbi whose original claim to fame as the single leader to have spent the war entirely inside Angola has been overtaken by his immediate popularity on the hustings. As an Ovimbundu he can count on substantial support from this large tribe. He has also impressed African leaders as a man of compromise leading a party of peace.

Portugal, with 24,000 soldiers anxious to come home, has bad frequent contacts with Tanzania's Julius Nyerere and Zambia's Kenneth Kaunda and now understands and accepts Savimbi's role. But is he strong enough to persuade Holden Roberto and Agostinho Neto to stop their bitter mutual opposition and join in a national political union? According to the Alvor independence agreement signed with Portugal in January, elections should take place before November 11 for a Constitution-writing Assembly. This appears impossible and unwise, with canvassing likely to lead to more intimidation and armed conflict. The Kenya summit may well approve postponement of the elections in favour of a continuing parity transition government and possibly a parity three-movement Assembly whose deputies would be appointed rather than elected.

The current transition Government is already paralysed by basic political and personal enmity between FNLA and MPLA. Civil war cannot bring true victory to either. Meanwhile, the economy is approaching crisis point with coffee plantations likely to yield 40 per cent less than last year, the White exodus prompting urban Black unemployment and the docks clogged partially as a result of night shift work ceasing for security reasons.

Angola is in an impasse, Portugal is powerless to help and Africa is looking on with deep anxiety and apprehension.

PORTUGUESE troops fired into the air in Luanda yesterday to disperse a crowd of white demonstrators outside the Angolan Government palace. Two people were injured as the demonstrators wrestled with the troops and tried to taketheir guns, an eyewitness said. A journalist standing nearby said a grenade exploded 20 feet away from him. The Whites were demanding transport back to Portugal and were angered by the Portuguese Government's alleged lack of interest in their plight. Reuter

EEC may give $400m. to Portugal

By Reginald Dale

BRUSSELS, June 13.

EEC FINANCIAL aid to Portugal could total as much as $400m. in the coming months, if the Brussels Commission has its way. The money would be used to help the country out of its current economic crisis by promoting both foreign and local investment in Portuguese industry.

The Commission, which drew up proposals for closer EEC links with Portugal earlier this week, will suggest that part of the $400m.-worth "immediate aid" should be provided from Community funds and the rest from the Nine's national exchequers. The immediate aid operation would be followed later on by more permanent aid arrangements under a new financial protocol.

The Commission is not suggesting that any specific conditions should be attached to the EEC offer. But it has made it clear that the whole package would be based on the assumption that the Portuguese authorities intended to uphold democracy and human rights.

IMF, World Bank set up 'intermediate' aid fund

BY ROBERT MAUTHNER

PARIS, June 13.

INDUSTRIALISED and oil producing countries to-day agreed to set up a new World Bank Fund, the aim of which will be to make low-interest loans totalling $1bn. to needy developing nations during a one-year period starting on July 1 this year. The decision was taken at a meeting here of the joint IMF-World Bank Development Committee.

Under the new so-called "third window" lending scheme, the World Bank will grant loans to developing countries with an annual per capita income of $200 and $375 at 4.5 per cent. for 25 years, designed to come between the normal World Bank rates of 8.5 per cent. and the very low interest charged by the International Development Agency, the World Bank's soft loan arm, on loans to the poorest nations.

These new "intermediate" loans, to be raised on the international capital market, will be financed by a special interest subsidy account to which 11 nations, including Britain, Canada, Iran, Venezuela, Saudi Arabia, Holland, Norway, Switzerland and the Gulf States have already agreed to contribute some $120m. Britain's contribution will be between $10m. and $15m.

This amount, however, is sufficient to finance loans up to only $500m., no more than half the Fund's target and it was significant that some of the major industrialised nations such as the U.S., West Germany, France and Japan have so far declined to participate, though one or two of them may do so later.

The Americans argued that the new lending facility would not be acceptable to Congress and that the U.S. considered replenishment of the IDA's funds a more urgent matter. It was clear, however, that the U.S. attitude as well as that of France, was closely connected with the failure here earlier this week of IMF Ministers to reach agreement on the disposal of the Fund's gold stock.

Once a scheme is finally worked out to finance interest subsidies by selling off some of the IMF's gold, the problem of providing the "Third Window" with sufficient funds should solve itself. This could, however, take another six or seven months, although there is an outside chance that the IMF Interim Committee might reach agreement on the monetary reform package on which it made such slow progress this week at its next meeting in Washington on August 31.

Ian Smith ponders next move

By Tony Hawkins

SALISBURY, June 13.

THE RHODESIAN Government was to-day considering its next move in the settlement dispute following Thursday's meeting when the Government and the African National Council were unable to reach agreement on a venue for a constitutional conference.

There are several alternatives open to Mr. Smith, including the suggestion being attributed to one Government source that Mr. Smith should go ahead and convene a conference, leaving it to the ANC to decide whether or not to attend.

Political observers here see this more as a bluff—and one that the ANC, secure in the knowledge that the outside world sees it as the representative body of Black opinion, would call—than anything else. Other options open to Mr. Smith involve encouraging the ANC to hold its initial congress in the hope that Mr. Joshua Nkomo would be elected to the leadership in place of Bishop Muzorewa.

Rhodesian sources cling to the view that it would be possible to reach a negotiated agreement with an ANC led by Mr. Nkomo. However, ANC sources were admitting to-day that the bishop had come out against the planned congress—scheduled for June 21-22 and that it is highly improbable that it will be held until next month at the very earliest and perhaps not even then.

The other option open to Mr. Smith would be to meet the ANC at a conference outside Rhodesia. Mr. Smith's main reason for wanting to avoid this, it would appear, is the considerable loss of face that it would involve. The Rhodesian government is stressing that it is independent and that there is no case for the conference to be held in any foreign country, including South Africa. The ANC have played their cards well by stressing their willingness to meet Mr. Smith anywhere in the world including South Africa.

Salisbury was thick with rumour this afternoon that the South African Foreign Minister Dr. Muller had flown here to confer with Mr. Smith on the next move in the dispute, but Rhodesian government sources were unable to confirm or deny the reports.

US bank denies AT and T share manipulation

By Jay Palmer

NEW YORK, June 13.

MORGAN Stanley to-day categorically denied that it had ever manipulated the share price of American Telephone and Telegraph. Morgan's announcement followed the news that two separate securities agencies were investigating complaints that the investment bank had forced up the price of AT and T shares to a level where outstanding warrants would be exercised.

The complaints, which were spelt out in yesterday's New York Times, stemmed from the "suspicious" movements in the AT and T price quote over the period immediately preceeding and following the expiry date of the warrants.

It had been alleged that both the Securities and Exchange Commission and the New York Stock Exchange were looking into complaints that Morgan had forced hte price momentarily higher by persuading clients to buy the shares and buying on its own account.

Paris bombs escalate Press strike

BY RUPERT CORNWELL

PARIS, June 12.

TWO BOMB blasts early to-day—in one of which a senior journalist at the French AFP news agency was seriously injured—have transformed the running dispute at the "Parisien Libéré" newspaper into the possible harbinger of a wave of extremist violence in France.

As if to re-inforce these fears, yesterday saw the fourth in a series of explosions in the French Basque country in the far South West, just a day after the suicide by self-immolation of a young Leftist fanatic in Pau against the repression of Basques on the other side of the frontier by the Spanish police.

The Paris incidents, which have been disowned by those directly involved, were both nonetheless clearly aimed at escalating the row surrounding France's second largest selling daily. In the first, M. André Bergeron, leader of the Force Ouvrière union that is defying the efforts of its larger CGT rival to establish a closed shop in the country's printing industry, escaped unhurt.

But in the second M. Bernard Cabanes, a senior editor at AFP, was hit by the blast as he went to the door of his flat in the western suburb of Garches. Wounded in the stomach and legs, he is expected to remain on the critical list, though doctors stress no vital organ has been harmed.

The latter attack was however almost certainly a mistake. M. Cabanes is the exact namesake, by extraordinary co-incidence, of one of the editors of the "Parisien Libéré," and this afternoon the "real" M. Bernard Cabanes claimed that he had been continually harassed by anonymous phone calls over his paper's plans to sack 300 printers for economy reasons.

So far no one has claimed responsibility for the bombings, which are already being seized upon by some commentators here as proof that France is entering an "Italian" situation of indiscriminate terrorism.

Union representatives on the paper, as well as M. Georges Seguy the head of the Communist controlled CGT, have described the attacks as "fascist provocation" designed to discredit the union. The Interior Minister, M. Michel Poniatowski, also doubts that they were the work of the printers' union, though he sinisterly likened them "to the Leftist style."

Meanwhile, the Interior Minister is clearly losing patience with the refusal of the Spaniards to stop their clandestine activities against Basque refugees in France.

In a radio broadcast this afternoon, he accused organisations working in parallel with the Spanish police of being behind the attacks. "If the Spanish government tolerates such acts, then it is behaving in an unfriendly fashion towards us."

Burns urges return to monetary reform

BY MICHAEL VAN OS

AMSTERDAM, June 13.

AN URGENT call to resume talks on the reform of the world monetary system was made here to-day by Dr. Arthur Burns, the chairman of the Board of Governors of the U.S. Federal Reserve system.

He told a Press briefing on the final day of the International monetary conference here that in his opinion the time had come to reopen discussions which had been abandoned after the oil crisis and soaring inflation had thrown many world economies into disarray. "We should get back to the whole question of reform. The mistake made is that we've talked so much about gold in isolation," Dr. Burns added.

He therefore voiced criticism at the Interim Committee's monetary talks in Paris earlier this week where the "basic question" had not been discussed.

At the same conference, U.S. Treasury Secretary William Simon described the OPEC countries' attempt to justify new large-scale oil price rises this autumn on an alleged 35 per cent. reduction in their purchasing power in 1974 as "sheer demagoguery" He added, however, that such price rise may be possible so long as an effective energy programme was lacking.

He said: "In effect, the oil producers have exacerbated worldwide inflation through their policies. And they now claim that because of that inflation, they are entitled to further price increases."

Mr. Simon added that, moreover, the terms of trade of the OPEC oil exports have risen five times since 1955 in comparison to the commodities they import. And since 1960, the export prices for oil have risen seven times in comparison to their import prices.

The U.S. Treasury Secretary repeated that the efforts of the U.S. to become more self-sufficient in energy and to develop greater solidarity with other consumer nations did not stem from a desire to confront the OPEC or to block those countries' economic development.

AEROSPATIALE LOSS

Societe Nationale Industrielle Aerospatiale, the State-run French partner in the Concorde aircraft and major French aerospace concern, has announced a net loss of Frs.363.8m. for 1974 against a loss of Frs.484.7 a year before. Sales amounted to Frs.4.866bn., against Frs.3.688bn. in 1973, an increase of 32 per cent. Exports increased more than 39 per cent. to Frs.1.687bn., Aerospatiale said.

Presidents 'not linked' with CIA killings

WASHINGTON, June 13.

SENATE INVESTIGATORS have not found any evidence directly linking Presidents Kennedy, Eisenhower or Johnson with any plots by the Central Intelligence Agency (CIA) to murder foreign leaders, Senator Frank Church said to-day.

The Idaho Democrat, head of the special Senate committee investigating U.S. intelligence-gathering agencies, said his panel was inevstigating possible plots hatched during the Johnson administration. It was previously believed the Senate inquiry—the House of Represensatives is conducting a similar probe—centred on the latter part of the Administration of Dwight Eisenhower and that of John Kennedy.

Senator Church was speaking to reporters after his panel began questioning former CIA director Richard Helms, deputy head of the Agency's clandestine operations section at the time the CIA was alleged to have been discussing plots against Prime Minister Fidel Castro of Cuba. Reuter

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SATURDAY, JUNE 14, 1975

Time to catch the tide

ONE UP, ONE DOWN, and everything to play for. Another dreadful figure for price inflation—still accelerating, even after allowing for the consequences of the Budget—and a further remarkable improvement in the trade balance have written a paradoxical end to a week of growing alarm and dawning opportunity. The inflation figure was expected, but the trade figures were not, so the markets closed with a recovery of confidence in the foreign exchanges and a steadying of nerves in Government stocks. It now seems considerably more likely than it did forty-eight hours ago that the Government can get through the holiday weeks which the Chancellor has set aside to prepare his "severe" measures.

The chances for such a policy initiative have considerably improved recently, and at a time of strained nerves it is as well to check off the developments now working in the Chancellor's favour. The improving trend in the trade balance has now persisted since January, and although the May figures no doubt represent a statistical oddity—month to month swings are normal—there is little room left to doubt the underlying trend. These are facts which speak louder than the earlier doubts of the Bank for International Settlements.

New relationship

It is unhappily true that the improvement is due to a fall in imports rather than a volume rise in exports, though exports are holding up much better than in previous world trade recessions. The message, however, seems to echo that of 1970-1971: a sluggish home market and a tight financial situation in industry acts substantially and rapidly on the balance of payments, and to this extent home demand is stabilised and domestic employment protected. The 1972-73 expansion of domestic credit, which largely leaked out into the balance of payments, showed the opposite side of the same coin.

The importance of this new relationship for economic management can hardly be overstated. It means that the social and political risks involved in deflating home demand are reduced. A policy designed to cut real incomes, which is clearly essential if balance is to be restored, should act strongly on the balance of payments, and the result will be a shift of resources rather than a huge drop in the use of our productive resources. It provides an opportunity for the sound methods which have long been in use in Germany and other countries where the same relationship holds. The improvement also deflates the case long argued on the Left for running away from our problems behind a barrier of import controls. The main danger is that the Left will now argue that with an improved trade balance, it is unnecessary to deflate. Fortunately the Chancellor has always regarded an improved trade balance as an opportunity to restore balance at home. He must now push home his advantage: this part of his strategy remains reasonably on course.

The same cannot, alas, be said of domestic inflation. Although there is a faint suggestion in the wholesale price figures published at the beginning of the week that the pace may be easing slightly, the Chancellor's forecast that the rate would fall to one per cent. per month (still far too high) after the Budget effects had worked through no longer seems plausible.

Obvious truth

The TUC now seems to have reached the point where it is ready to acknowledge what has long been obvious to everyone else — that lower inflation depends on lower wage settlements, and that the only issue, as the BIS baldly put it, is whether lower real wages will come about through lower claims or higher unemployment. Had this truth sunk in a year ago, the rate of inflation and the likely level of unemployment would now be much lower than they are; but it is now to be hoped that a lesson taught by events will have a longer-lasting effect than restraint imposed from Whitehall.

It is this growing mood of realism in the country which is the tide which the Government can now catch, if it is resolute. The test will come where up to now the Government has most signally failed—the control of public expenditure and above all of wages in the public sector. It is now clear that some senior Ministers understand this, as do their advisers. What will appear first in the Government's response to the threatened railway strike is whether the Cabinet as a whole, and the Prime Minister, stand behind them. It is the last chance for a Government which claims the support of the trade unions to prove that that support can be mobilised in the cause of responsibility and realism.

The Royal Shakespeare Company is in serious financial trouble, reports **Michael Thompson-Noel**

A season of suspense at Stratford-on-Avon

THE VIEW from the terrace appears unchanged: the same clockwork swans drifting on the same stretch of the River Avon. But inside the Royal Shakespeare Theatre, there is little of this calm as inflation takes its toll. According to a Royal Shakespeare Company spokesman, the RSC, a major earner of foreign currency and an internationally-famous national theatre company, has, unless solutions to its problems are found, until November 30 before it collapses. "At that date," says the RSC, "the theatre company will disintegrate."

The key to the RSC's troubles and its talk of crisis is the Arts Council's current inability to increase its grant to the RSC by the extra £200,000 the company says it needs to finance even the austerity work programme it is now pursuing. Unless the money is forthcoming, says the RSC, it will be forced to abandon the Aldwych, its London theatre, by November 30, and retreat to its fastness in Stratford.

In turn, without the prospect of transferring Stratford productions to the Aldwych, artists will find the offer of long, highly-specialised Stratford seasons less attractive and will disperse, with a collapse of artistic ambition and standards resulting.

Strangled by inflation

What is happening to the RSC? It is being strangled by inflation and recession. In 1974-75 the theatre received a total subsidy of £744,000. For the current 12 months—simply by repeating the economies of last year—the RSC would have required an Arts Council grant of £1.04m. With savage new cuts it has trimmed its 1975-76 requirements to £884,000, without which, says the company, it will be unable to survive intact. The Arts Council has offered £680,000, although it is searching for a formula which will help maintain the RSC in London.

Sir Hugh Willatt, Secretary General of the Arts Council, said this week: "Talks are going on. It is our hope that we will be able to offer the RSC a fairly substantial increase for 1976-77—enough for it not to have to leave London this year." However, as Sir Hugh points out, the problems of the RSC have to be considered alongside those of the National Theatre and all the other artistic organisations the Council supports.

The National's current Arts Council grant is £900,000 for operating at the Old Vic, while the Greater London Council is providing a further £300,000. However, estimates of the total annual subsidy needed to underwrite the National when it moves into its new South Bank theatre complex early next year range upwards from £3m., even if it uses only one of the three new auditoria. Of this, the Arts Council will probably be asked to supply 75 per cent.

The RSC's troubles, therefore, are not unique. In London, the Theatre Upstairs at the Royal Court will have to close in August for lack of funds while in the West End, commercial theatre managements, bludgeoned by inflation, are being forced to feed their audiences a subsistence-level diet of paper-thin comedies, simple-minded thrillers, tired revivals and skin shows. Adventure and experiment are dead. In the regions, the outlook is equally grim.

Terry Kirk

Mr. William Wilkinson, the RSC's financial controller: "Costumes attract more nonsensical criticism than any other item."

Nonetheless, it is the RSC which has emerged as the first potential major arts casualty of this austere era. Already it has cut its productions this year from 30 to 20, given up its season at The Place in London, scrapped its permanent acting company at the Aldwych, switched from a repertoire system to a repertory one, and cut the number of Stratford productions from six to four. "The only economy left to us now is to close at the Aldwych," it says.

Before looking at the figures, it is worth looking at the RSC's policies. Since 1960 its Arts Council-approved policies have remained virtually unaltered. These have comprised repertoire seasons at Stratford and in London, complemented by small-auditorium work; tours at home and abroad; films and television; the World Theatre season at the Aldwych and the winter season at Stratford; and an ensemble company built around a core of long-standing member artists.

Says the RSC: "The two-theatre (Royal Shakespeare/Aldwych) operation is fundamental to our policy. All our activities are energised by the vital cross-fertilisation between Stratford Shakespeare productions and the productions of new plays and other work from the past 100 years which are our special concern at the Aldwych. The policy allows Shakespeare transfers to be seen regularly in London and, by creating work for two companies of actors, it makes possible the national and international tours for which the RSC is renowned."

Theatrically depressing

Similarly, says the company, its policy of repertoire seasons as opposed to repertory ones is vital to artistic standards. Under the former, a theatre company maintains a number of productions on the books and plays them, ideally, in short, four- or five-night bursts. This keeps both the actors and the productions fresh and offers the theatre-goer a chance to see two or three different plays within an eight- to 15-day cycle. Its drawback is that it is very costly —it involves frequent set changes, often at the week-end, and a large company of actors. Conversely, a repertory system involves only one play at a time, probably for a four- to six-weeks run; it is financially cheaper but theatrically depressing.

Its policies, says the RSC, have been successful. World-wide, RSC audiences exceeded 1m. in all but two of the last 10 years, while the average RSC nightly audience throughout the world in 1974-75 totalled 5,214. This includes attendances at its own three theatres and tours at home and abroad. In its own theatres since 1971, the average total audience for any performing evening was 2,214—83 per cent. of capacity. (During this period the top seat prices at Stratford and the Aldwych have moved from £2.20 and £1.90 respectively four years ago to £3.50 and £3.10 now—average annual increases of 12.5 and 13 per cent.).

The RSC is also, it maintains, a substantial foreign currency earner. Foreign visitors to Stratford and the Aldwych spent approximately £27m. in the U.K. last year (the figure includes food, hotels and travel), while the RSC's own tours abroad in 1974-75 produced foreign currency earnings of $1.63m.

Apart from its Arts Council grant, the RSC's costs are met from two other sources: the box office and casual income from films, television and foreign tours. In no year since 1963, says the company, has it been offered a grant equal to the difference between estimated costs and estimated trading revenue. It has consistently subsidised itself via film, television and tour earnings and by financing end-of-year deficits from reserves which are now exhausted.

The latest estimated figures available in Stratford look like this: total operating costs for the RSC (including VAT) for 1975-76 are put at £2,331,378, of which U.K. box office revenues will produce £1,422,117 (61 per cent.). The Arts Council's offer of £680,000 covers a further 29.2 per cent. Only £25,000 is expected from films, television and tours, leaving a final deficit of £204,261, or 8.7 per cent. of total costs.

Put another way, the amount of grant needed per pound of earned revenue this year is 61p compared with 27p in 1971-72 and 53p last year. The Arts Council has offered 46p. The amount of grant needed per seat sold at the Stratford and Aldwych theatres is £1.21; the company has been offered 93p.

So what about economies? Mr Bill Wilkinson, the RSC's financial controller, is happy to escort one through the figures. To-day's financial instabilities, he says, began with the oil embargo of October, 1973, in response to which advance bookings fell and costs began to rise. As a result, the RSC made immediate changes to its 1974-1975 plans. The steps included: a smaller-than-normal Stratford company; a higher-than-usual proportion of classical work in the Aldwych repertoire; a greater proportion of transfers from Stratford to London (five out of six) and a maximum effort to arrange foreign tours with high earnings potential such as productions of *Sherlock Holmes, London Assurance, Love's Labour's Lost* and *King Lear*.

As a result, RSC cost rises in 1974-75 were held at 13.8 per cent. compared with a general inflation rate of nearly 20. However, things were getting worse. The U.K.'s industrial troubles, plus the oil surcharge, caused a sudden drop in visitors travelling to Stratford. Attendances fell both there and in London, and, although business picked up later on, the end-of-season result was below previous years' levels.

Enormous prestige

Food and hotel costs rose rapidly. Threshold pay increases were triggered off. The top Stratford seat price rose above £3, and resistance was felt at all price levels. Additionally, the economics of foreign touring changed instantly, so that the five main 1974-75 tours produced enormous prestige but only limited financial benefit.

For 1975-76, therefore, further penal economies were devised. The Stratford repertoire has been limited to four productions, compared with a normal five or six— *Henry IV* parts I and II and *Henry V* (produced with virtually the same set, costumes and props at a saving of around £60,000) and a revival of the *Merry Wives of Windsor*.

At the Aldwych, a switch from repertoire to repertory has been made and the programme devoted to short runs and transfers from Stratford, all with minimal production costs.

Overall, the RSC claims to have pared costs to an irreducible minimum. Theatres are labour-intensive, and so wages and health and insurance contributions this year will cost £1.36m., 62.5 per cent. of total expenditure. (The company has 52 actors and actresses on the books at present, 39 of them in Stratford, and a total workforce of 460).

Similar efforts have been made to control rigorously the sums spent on production materials. According to the RSC: "It is widely but mistakenly thought that the costs of production materials account for a high proportion of RSC expenditure. They do not, and despite the pressures of inflation, we actually reduced our spending on production materials in both of the last two years, when they represented 8.4 per cent. and 8 per cent. of total costs respectively."

During the past 12 months, the average cost of production materials has rocketed by more than 110 per cent. Yet for 1975-76 the RSC plans to hold their cost in cash terms to about 10.6 per cent. of overall expenditure.

Ermine and fine lace

So how about costumes—the ermine and fine lace? "Costumes attract more nonsensical criticism than any other item of expenditure," says Mr. Wilkinson. "We've tried everything, anyway: plastic sprays and simulated velvet. Wear it a few times, though, and it begins to rot.

"If because of cost considerations you're already using Brechtian settings and the barest of props, your only hope for theatrical authenticity may rest with the costumiers. Anyway, after our costumes have been used in Stratford, London and on tours abroad, we re-hire them to other companies. They make a £5,000 profit."

In addition to its economies, the RSC, under Mr. Des Wilson, its director for public affairs, has vividly sharpened up its marketing image, introduced the word "promotion" into its vocabulary, revamped its membership scheme (it now has 17,000 members paying £1.25 each for pre-booking and discount facilities, and is aiming for 50,000) and launched an aggressive advertising campaign.

By its own account, the Royal Shakespeare Company is now operating at an absolute peak of cost consciousness; but it needs more money. Not the £2.2m. which the city fathers give the Schiller Theatre in West Berlin, nor the £1.5m. received by the Stats Theatre in Bochum, in the Ruhr, nor the impressive amounts handed over to the Comedie Française or any of the other leading Continental State theatres; but just £884,000.

Letters to the Editor

Teachers

From Mr. P. D. Wicksteed, and Mr. E. A. Copeman.

Sir.—Mrs. Finucane (June 7) thinks "teachers are devoting themselves to doing enthusiastically precisely what it is least valuable for them to attempt." She supports this contention by suggesting "research shows that the impact of school is negligible in comparison with that of the home." Research does not show this.

The research problem is to explain differences in children's attainments. Home backgrounds vary more than school backgrounds and this "explains" more of the differences. The Plowden Report made this point in 1967 (para 98).

Furthermore it is not so easy to separate ends and means. A child who learns the technical skills of reading in an atmosphere where reading is not enjoyed will soon let those skills atrophy. Creating a suitable environment must be part of the teacher's task. But Mrs. Finucane may take comfort from the finding of the "Aims of Primary Education" research that primary teachers value skills very highly, despite what she has read.

D. Wicksteed.
Senior Lecturer in Education,
Worcester College of Education.
E. A. Copeman.
Headmaster, Warndon Junior School.
Worcester College of Education,
c/o Henwick Grove,
Worcester.

London Transport

From The Deputy Chairman London Transport Passengers Committee.

Sir.—As official spokesman for London Transport's passengers, we would take exception to the implication in James Ensor's article June 10, 1975 that London Transport's service frequencies are in some way too high.

The number of complaints reaching this committee make it abundantly clear that while the situation, particularly on the underground, has improved since last year, the services operated (as distinct from those timetabled) by London Transport buses are still inadequate on many routes.

Deployment of staff is a matter deserving continued attention by management and unions, but further reduction of service frequencies would, in our view, only stimulate the greater use of private transport and hence provoke demands for further public expenditure on meeting the voracious appetite of the private car.

D. J. H. Senior.
London Transport Passengers Committee.
26, Old Queen Street, S.W.1.

Life tenants

From Mr. L. Thomas

Sir.—While the Coats Patons' scrip issue in lieu of a final dividend may give some satisfaction to shareholders, consider the position of a life tenant of trust funds. It seems likely that strictly speaking in a trust the scrip issue will belong to capital not income and therefore trustees should consider selling their trust holding as soon as possible as they cannot compensate the life tenant without special powers.

L. E. Thomas.
63, Pine Walk,
Carshalton, Surrey.

No bonus

From The Managing Director, Stock Market Analysts.

Sir.—There can be few day to day topics more subject to misinterpretation than stock market movements. For twenty years or so I have observed how precisely the same arguments are trotted out to explain both rises and falls in share prices, depending on the market's mood.

The latest example of this is a widely quoted rationalisation in several newspapers (including the Financial Times) that prices gained strength on talk of a rights issue by Glaxo. It always used to be held that rights issues led to, and resulted in lower share prices.

While there are many arguments about investments which cannot be proved either way, the rights issue argument is one which can be. Indeed, it was your eminent journalist Harold Wincott who in a series of articles in the 1960s demonstrated that there is no such thing as a bonus from a rights issue or preferential treatment for shareholders. The chairman or a board of directors cannot give away to shareholders what they already own.

A person who takes up his rights owns exactly the same proportion of his company after a rights issue as he did before. Hence the market price of his shares will, other things being equal, simply adjust downwards in inverse proportion to the scale of the issue and the terms. If he sells his rights he will obtain, other things being equal, compensation equivalent to what he will lose in the lower price for his old shares when they go ex-rights.

The so-called bonus elements in a rights issue is a myth. The arguments for buying shares of a company making a rights issue remain basically the same as ever—what are the prospects and have these been discounted in the share price?

N. J. E. Young.
Stock Market Analysts.
58, High Street, Esher, Surrey.

Burglar alarms

From Mr. E. Danger.

Sir.—In your insurance column (June 2), there was a discussion of the problems that the police, and other parties, have with false alarms but I did not see any mention of the poor, unfortunate residents who have to put up with the noise from burglar alarm bells which have a habit of going off in the middle of the night and ringing for some hours.

It does not seem to be generally known that it is an offence—at least in the GLC area—for burglar alarm bells to ring for more than five minutes and, of course, residents have a right of recourse to the Courts although why they should have to pay for having their sleep disturbed escapes me.

It is all very well for the British Insurance Association to emphasise maintenance of alarm systems. I think it would be better employed ensuring that somebody was available to turn off alarms when they started to ring. It is by no means unknown for burglars to set off the alarm deliberately, wait until the police have inspected the premises and then clear the contents at their leisure.

E. P. Danger.
43, Duke Street,
St. James's, S.W.1.

Housewife's choice

From Mr. G. Fane.

Sir.—If every housewife in Britain were to spend, say 5 per cent. more each week than her husband's gross earnings before any tax deductions, the economic facts of life would soon reveal themselves with singular clarity.

Yet we as a nation are doing just this and gaily borrowing the difference from abroad as though the world owes us a living until next Domesday morning!

What will happen to sterling when the music stops?

Gerard Fane.
Feering Place, Kelvedon, Essex.

Giro loans

From the General Manager Boston Trust and Savings.

Sir.—As both existing users and potential competitors we have read with interest the announcements of the proposed unsecured loans for personal customers of Giro. These announcements suggest that all contact will be by post and that no interviews will take place.

With some three years' experience of setting up a "money-by-mail" service, we can guarantee that Giro will encounter an expensive introduction, considerable fraud attempts and difficult arrears situations necessitating home calls. Giro's success will largely depend on how good its management and personnel are in meeting these certain problems.

In principle, we have no objection to competition, but it seems to us that independent finance companies will lose whatever happens. If Giro is successful in this venture then we will lose some of our better customers; if it fails then we will pay more taxes or charges.

As well as disclosure of the "true rate" and, without being too sanguine, can we expect that Giro will reveal (a) just how it handles its deferred income accounting, (b) how much it pays for its funds, (c) how it provides for its bad debt provisions? The consumer credit branch of the Department of Prices and Consumer Protection will surely ensure that Government subsidised competition is going to be fair and short-term benefits of a low and (highly competitive) interest rate are not going to be made up by long-term real losses.

E. B. Borton.
Boston Trust and Savings.
52, High Street, Watford, Herts.

Overmanning

From The Director, Sheffield Polytechnic Centre for Innovation and Productivity.

Sir.—James Ensor (June 10) is quite right about Britain's overmanned State industries, but what he didn't say is that much of the privately owned sectors of industry are also grossly overmanned. For example, if we deduct his British Leyland figures from the 1973 Census of Production data we find that the rest of the motor vehicle manufacturing industry produced only £9,480 per head, a lower output than any of the European competitors listed except Fiat. A similar calculation for shipbuilding shows a gross output per head of only £6,550, again lower than all the European organisations listed except Italy.

Our analysis of the Census data shows that in 1973 only 10 out of the 155 sectors covered showed a gross output per head of more than £20,000 and only another 30 sectors exceeded £10,000 per head. Of course, comparisons of gross output are fraught with danger and I submit that it would be better to compare the net output (sales less materials, etc., adjusted for stock changes) which more truly represents the wealth created in terms of the value added to the materials by the processes of production.

Overmanning is an emotional term but the only way we can enjoy a higher standard of living is to shift people out of the low productivity industries into the wealth-creating sectors that can earn foreign currency. The trouble is that people are reluctant to move, owing to lack of incentives, and they don't know where to go, because the high productivity sectors have not been properly identified and publicised. If we can't persuade them to move soon, they may be obliged to move because of economic forces that no Government could possibly control.

E. G. Wood.
Sheffield Polytechnic Centre
for Innovation and Productivity,
Halfords House,
16, Fitzalan Square, Sheffield.

Rating system

From Mr. J. Voyce.

Sir.—The idea of local income tax to replace the present rating system is frequently rejected because of the difficulty of administration. But would it be so difficult in this computerised age?

The local authority to which any individual should contribute could be determined from the electoral roll. Each authority would have a computer code and every tax payer would have that code included in his income tax record. The total tax to be collected nation-wide to produce the same amount as is now obtained from the rates could be calculated, and the appropriate rate in the pound be added to the national income tax rate.

A proportion, say half, of the tax raised in this way could be transferred by computer programme to the respective local authorities, and the remainder to a fund controlled by the national authority. Councils from "poor" areas could have their income augmented from the central fund, while any council could apply for a grant to finance a project which could not be met from its automatic income.

By a system such as this a retired couple living in their own family home would be relieved of paying rates on the fictional letting rent of their home, while a family of wage earners occupying council subsidised property would contribute an equitable share towards the cost of the amenities they enjoy.

J. B. Voyce.
39, Penrre Avenue,
Parkstone, Poole, Dorset.

A bedtime story about British hotels

BY ARTHUR SANDLES

Anyone who may be wondering why Americans are feeling somewhat jaundiced about European tourism at the moment has only to look at the impact of inflation and currency fluctuations on Europe's hotel rates expressed in dollar terms. In the last year the American visitor has seen the price of a hotel double room with bath at a first-class hotel rise by 55.9 per cent. in dollar terms in Stockholm, by 36.8 per cent. in Paris, 29.4 per cent. in Geneva, and 21.7 per cent. in London. The London increase is now falling back, of course, as the value of the pound diminishes: the British this week-end are struggling with a pound which has slipped below 9 French francs and which is being regarded warily by foreign shops and banks.

Bed occupancy

For the British hotel business, however, it has been a swings and roundabouts situation, overall; and the accent is on that "overall." The hotels which rely heavily on American traffic have suffered very badly over the past year, even if the national averages are looking quite healthy. Just how bad the position has been can be seen from the figures which came earlier this week from the English Tourist Board. These showed that in the more expensive hotels (which the ETB defined as costing £7.50 a night or more) in London had suffered a nasty slip in bed occupancy over the past three years.

London has traditionally had a much higher annual level of average bed occupancy compared with the rest of the country, particularly the highly seasonal seaside areas, but this has been changing recently. In 1972 the average first-class London hotel could expect to have an occupancy of 67 per cent. which meant that in the peak of the season it was almost impossible to get a room. By 1973 this had fallen to 62 per cent., and last year it dipped to 55 per cent. There is little doubt that at that level, and at current prices, this would mean that a large section of the hotel market has been running at a loss.

The true effect of the loss of the American market can be seen once again from a look at the figures. Americans tend to use the better, or at least more modern, hotels while Continentals and locals prefer to shop around. In 1972 and 1973 both types of hotel looked for foreigners for 50 per cent. of their custom.

By last year a gap had suddenly arisen. Average annual bedspace occupancy in the lower-priced hotels rose sharply to 62 per cent. of total custom, while in the more expensive hotels it dipped to 42 per cent. To ferret out who was actually hurt in this debacle is rather more difficult, since hoteliers are not particularly keen to air their woes in public. From time to time, however, they are forced to, as the Savoy was a few months ago when chairman Sir Hugh Wontner had to report a loss.

The point is that not only has there been a greater demand for lower priced accommodation, but also there has been a considerable wastage of hotels in this bracket. Many of them closed in the rush to conversion into flats three or four years ago, and others have disappeared simply because the owners could not keep pace with rates increases and the cost of meeting fire precaution requirements.

Incentive

The same is not true of the first-class hotel. There has been very little loss of accommodation at the upper end of the market, and the result is that the additional rooms provided as a result of the Hotels Incentives Scheme, which paid a grant of £1,000 for every new hotel room built, have been a real gain to total bed-stock. In the absence of a similar growth in demand the position has become very bad for many hoteliers. There is good evidence to suggest that this problem has been most acute for older properties, new one-offs as opposed to those which are members of chains, and properties on the outskirts of the capital.

The situation has hardly come as a surprise. Two or three years ago there were plenty of people in Britain suggesting that hotels would be going bust as frequently in 1975 as they were opening in 1973. This, so far, has not proved to by the case, partly due to the fact that the pressure for an alternative use has, to a large extent, gone. There is now very little in the way of a profitable alternative for a hotel other than using it as a private hospital. But also the hotels have learned a great deal recently about the game of cutting costs and maximising such business as they have.

No-one has been able to do very much about widening margins. Consultants Cornwell, Greene, Bertram, Smith and Co., which monitors the European hotel tariff scene carefully, suggests that in sterling terms the London first-class hotel average room rate (double with bath) has gone up by 15.6 per cent. over the past year, which many might think not particularly spectacular in this age of dramatic inflation. In local currency terms London hotel prices are rising much more slowly than in most of Europe, a clear indication of over-supply. Other cities with such problems are also seeing hoteliers struggle: in Geneva and Munich hotels are having to cut the official tariffs in order to attract business.

Freddie Mansfield

In dollar terms, American visitors to London during the last year have seen the price of a double room at a first-class hotel rise by 21.7 per cent., although this is now falling back as the value of the pound diminishes.

A look at provincial British hotels, however, produces a different picture. A double room in the West Midlands will, on average, cost 25 per cent. more than last year, and in the south east, outside London, 20 per cent.

In many areas hoteliers have managed to keep their prices at least in pace with inflation over the past 12 months, although whether they will be able to do so over the next three or four months is open to some doubt. The fact that they have been able to do this while at the same time maintaining their old occupancy levels shows that they are a good deal better off than colleagues in many other industries. As far as occupancy levels are concerned the average British hotel is just as full now as it was two years ago. Last summer the seaside properties had a bumper time, being 86 per cent. full in August, the highest figure for three years.

In fact, the whole hotel business had a very good August, with bed occupancies in England being up by 5 per cent. on the previous year.

There can be little doubt that this has helped some of those groups which turned their attention outside London and, at the time, were sometimes regarded as foolish for doing so. Trust Houses Forte is still busy filling in the gaps in its Post House circuit and is probably more relieved than ever that it chose to spend money in updating the Grosvenor House and other London properties rather than investing in new ventures. The Ladbroke Group, too, turned its back on London and headed instead for the provincial cities. Its Dragonara hotels have stood up well as a result during the economic blast and a recent deal with the American Ramada Inn chain ought to help even more.

Ramada is a little-known name in Britain but it is, in fact, in the big league of American hotel groups with Howard Johnsons and the daddy of them all, Holiday Inn. Perhaps Ramada saw the way in which Holiday Inn of Memphis had a sticky time translating its U.S. ways to the European life-style in making the deal with Ladbroke. Holiday Inn of Memphis has now handed over control of all its U.K. Inns to Commonwealth Holiday Inns of Canada, a large franchise holder which has done extremely well in the British market. The Ladbroke-Ramada deal is largely a marketing one, giving Ladbroke an American sales arm which should now be considerably stronger, and giving Ramada a toe-hold in Europe which might have been expensive to acquire in bricks and mortar.

But at the moment as far as foreign invaders are concerned, attention is firmly focused on Inter-Continental Hotels and its new property at Hyde Park Corner in London. On one of the most contentious sites in the capital, the hotel has opened to little criticism. It has, however, attracted some doubts as to whether there are enough people willing to pay £30 a night or more for a twin room. Even a few months ago Inter-Continental was looking a bit concerned when this question was asked, but now there is a somewhat brighter air about the place as inflation starts to make £30 look much more reasonable than it once might have been.

Average price

The average price for double room with bath in one of the better hotels of London is some $32.57 at the moment (CGBS figure, dollar rates at end-February), which compares very favourably with those in many other European capitals. A similar room will cost nearly $48 in Geneva, $44 in Paris, $39 in Oslo and $37.33 in Dublin—Europe's four most expensive cities for hotel accommodation of the generally acceptable "international" type.

Perhaps, then, there is some hope yet that the tourists will not turn their backs on Britain and, combined with the Britons who may be forced to look more to home in future, they might keep the hotel trade at least ticking over until the tourist boom returns. And when will that be? Once again eyes are turning to end-76. American election year and the time, perhaps, when Mr. Denis Healey will have produced the rabbit of a 50 per cent. cut in U.K. inflation from his Treasury hat.

LABOUR NEWS

Flat rate pay plea backed by NALGO

BY OUR LABOUR STAFF

THE PLEA BY Mr. Jack Jones, Transport Workers' leader, that the social contract must be changed to embody the principle of a flat rate increase to help the lower paid was supported yesterday by the 560,000-strong National and Local Government Officers' Association.

NALGO, Britain's fourth largest union and the biggest in the white collar field, took its decision by a comfortable margin at the union's annual conference in Blackpool, against the firm advice of the executive, which did not want to be tied down.

By a majority of nearly 55,000 on a card vote, a motion was carried saying that next year's salary claim by the union should have "as a central feature a uniform flat rate increase sufficient at least to offset the effects of inflation."

Lower paid

This broadly fits in with the approach to the wages problem being pressed in the TUC General Council by Mr. Jones and is aimed at helping lower paid workers, even if it interferes with differentials.

The issue split down the middle a fast-growing union which caters for a very wide range of workers, from teenage clerks earning just over £20 a week to top officials earning £120 a week.

Mr. Sam Lomas, of Stoke-on-Trent, said that the much-vaunted social contract, far from helping the lower paid, had done precisely the opposite. Unless unions were prepared to forget about differentials for a period, the situation of the lower paid would not be improved.

Opposition to the flat rate idea came from Mr. Bill Gill, of the executive, who underlined the importance of differentials to the higher paid and claimed that it would be idiotic and dangerous to decide a 1976 wages policy now.

Wage freeze

Delegates were warned, meanwhile, of the need for a speedy conclusion to this year's annual negotiations to avoid being caught in any wage freeze.

The warning came from Mr. Fred Jex, chairman of the union's local government committee, who will lead negotiations on Monday. He hopes to win an improvement in the employers' 21.7 per cent. offer to 400,000 local government staff.

The conference overwhelmingly accepted a motion urging the executive to seek a union shop for all employees in each of the Association's groups, and to launch a campaign instructing members not to work with non-union employees.

Pay excesses mean lost jobs, BBC staff told

BY OUR LABOUR CORRESPONDENT

THE BBC has told its staff that for every 1 per cent. pay rise above its budgeted figure for inflation, 250 staff jobs will disappear.

The warning which was given to leaders of the Association of Broadcasting Staffs, which represents most BBC staff, is relayed to members in the union's journal.

It came after the rejection of a 19 per cent. £26m. pay offer, together with improved holidays and conditions, which the BBC estimates would add a further £8m. to £10m. to the wages bill.

The ABS, which is seeking increases of at least 30 per cent., is to hold meetings of members next week to consider the situation.

The union said last night that it had no reason to doubt the BBC warning, which had been made informally.

Massey-Ferguson strike ended by slim majority

BY OUR MIDLANDS CORRESPONDENT

MORE THAN 3,000 Massey-Ferguson tractor workers yesterday decided by a majority of fewer than 50 to end their six-week pay strike. Normal production will be resumed from Monday at the Coventry plant.

The meeting voted after hearing a report from stewards, who had unanimously rejected management's offer on Wednesday of an extra 45p to bring the basic increase to £6.45 and the average total, including restructuring, to £7.89.

It was impossible to tell which way the verdict had gone from a show of hands. Then those for and against were divided and ten tellers decided that the voting had been narrowly in favour of ending the strike.

The stoppage has cost Massey-Ferguson about £18m. in lost production, more than two-thirds of it for export, but the containment of the increase to about 16 per cent. means that it will be less financially onerous to honour the commitment to give parity to 6,500 workers at the associated Perkins Engines plant at Peterborough. The gap, however, is still about £14.

Ambulance pay protest

BY OUR LABOUR STAFF

AMBULANCE CREWS in Scotland's industrial belt were handling only accident cases and emergency illnesses yesterday because of a protest by supervisors at a proposed national pay structure which, they claim, will give them little or no earnings increase.

Hospitals were being advised to use taxis to transport out-patients and discharge in-patients.

Similar unofficial industrial action is reported from some parts of southern England. London ambulance officers are threatening imminent action.

Informal discussions are being held at the Department of Health to iron out complaints by many of the 2,700 officers in Britain.

EEC cuts British steel by only 4%

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, June 13

U.K. STEEL production should be running at only 4 per cent. below last year's levels in the coming four months, compared with an average EEC cut of 15 per cent. and a drop of more than 22 per cent. in West Germany. These are the guidelines contained in the Brussels Commission's new steel programme for the June to September period, finally published here to-day after weeks of consultations with Governments, the steel industry, consumers and trade unions.

The "indicative targets" contained in the programme are not binding. Nevertheless, producers will be expected to conform broadly to the Commission's figures if output is to be more closely matched to the current low levels of demand and the crisis in the industry overcome.

Abnormally low

In volume terms, the production figure forecast for the U.K. is 7.2m. tonnes, compared with 7.5m. tonnes in June-September last year.

The main reason why the reduction suggested is so much less than for the other countries is that British production was already abnormally low last summer, mainly owing to the continuing effects of the three-day week. Real U.K. consumption of steel is put at 7.0m. tonnes for the period in question, against 7.1m. tonnes last year.

The recommended 22.2 per cent. reduction in Germany (from 17.87m. tonnes to 13.9m. tonnes) is the biggest for any of the Nine. The Commission suggests that Belgo-Luxembourg output should be down by 17.4 per cent., Dutch by 14.8 per cent. and Italian by 14.6 per cent. French output should go down by 9.76 per cent., from 8.09m. tonnes to 7.3m. tonnes.

Total production for all nine countries should work out at 42.8m. tonnes, against 50.55m. tonnes last year, a drop of 15.33 per cent. Real consumption, however, is likely to be no more than 37.05m. tonnes, in the Commission's view.

Threat to jobs

Earlier this week the Commission said it was only the threat of unemployment that prevented it from recommending heavier production cuts. At to-day's meeting of the European Coal and Steel Community consultative committee in Luxembourg, at which the figures were finally approved, the Commission was asked to keep a continuing close watch on employment levels.

The Commission said it would review the situation again in September, when the present programme comes to an end.

Our Industrial staff writes: During 1974, U.K. steel production was seriously disrupted by industrial disputes—including the miners' strike—and shortages of scrap so that output was 16 per cent. down on the previous year at 22.4m. tonnes.

Recent forecasts from the British Steel Corporation suggested that production might fall by a further 25 per cent. this year. Indeed, the May production figures, published yesterday, showed average weekly output 21.6 per cent. below the April level and 24.4 per cent. down on May, 1974.

Demand for bank loans remains very sluggish

BY MICHAEL BLANDEN

DEMAND FOR bank loans remains very sluggish, according to the latest figures published by the London clearing banks.

In the five-week period to mid-May, sterling advances by the London clearing bank groups to U.K. residents were virtually unchanged, showing a small drop of £4m. to £14.77bn. Within the total, there is little sign of any significant recovery in the demand for borrowing by the industrial sector.

In spite of the drop in interest rates this year, the signs are that the economic uncertainties—including the EEC referendum question in the period covered by these figures—continue to hold down companies' demand for loans.

The figures come against the background of this week's gloomy investment forecasts from the Department of Industry. These showed that U.K. manufacturing companies expected to invest 15 per cent. less in new buildings, plant and machinery this year than last year.

The sharp downturn in investment, at "a rate not previously experienced," according to the Department, has reflected partly concern over current and prospective inflation rates.

At the same time, the demand for loans from the personal sector, where the banks have begun to encourage new borrowers, remains relatively slow. In spite of the jump in spending which preceded the rises in VAT on electrical goods in the latter half of April, the banks report that the rise in lending to the personal sector during the period was only relatively modest.

The only borrowers which are taking substantially more from the banks are the local authorities. In this sector, sterling loans rose by £107m. to £1bn. during the period.

The slow demand for loans, coupled with a continued inflow of deposits, has left the banks with ample funds available for lending. In the past month, sterling deposits by U.K. residents rose by another £49m. to £21.3bn. This rise, though smaller than the £220m. gain in the previous month, came at a time when a fall would have been expected on seasonal grounds.

The rise in deposits, reflecting the continuing Exchequer deficit, has come over the past months mainly in current accounts, showing up in the continued faster growth of the money supply on the narrower definition (M1) than on the wider definition (M3) which includes deposit accounts.

The clearing banks have also gained from a net repayment of £146m. of sterling borrowings by other U.K. banks. The five London parent banks are left with a reserve asset ratio of 13.6 per cent. against 13.3 per cent. in April and a minimum of 12.5 per cent.

The figures this month have been presented in a somewhat abbreviated form as a result of major changes being made in the statistics being presented by the banks. A comprehensive review of the figures over the past two years by the Bank of England and the commercial banks has produced a new system, incorporating redefinitions of some items and changes in the presentation of the figures which will be reflected in a new presentation from next month on.

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'Several hundred' to lose jobs at ICL centre

BY CHRISTOPHER LORENZ

SEVERAL HUNDRED people are to be made redundant by the closure of International Computers' development centre at Stevenage, Herts. The centre's work is being transferred to ICL's other two development locations, at West Gorton, near Manchester, and Kidsgrove, Staffs.

Of the 600 labour force at Stevenage, about 150—the bulk of the engineers—will be offered a transfer to the other centres, according to ICL. The company hopes to place some of the remainder elsewhere in the organisation. But the transfer, which should be completed by the beginning of October, "will inevitably entail a substantial measure of redundancy," ICL warned last night.

The decision had been made to ensure that the real return on the company's investment in research and development was fully maintained.

The company would try to find alternative employment (by implication, both within and outside ICL), the statement said. It would do its utmost to bring about the changes with the least possible disruption.

Consultations had begun therefore with all who would be concerned, either directly or indirectly. These included staff likely to be involved, their trade union representatives and officials, interested Government departments and local Members of Parliament.

ICL's move is seen in the computer industry as the latest stage in a lengthy process of rationalisation.

COMPANY NEWS + COMMENT

Grand Met. £1.42m. ahead in first half

EXTERNAL SALES for the half year to March 31, 1975, of Grand Metropolitan expanded from £461.33m. to £555.97m., and pre-tax profit increased from £13.9m. to £15.32m., after substantially higher interest charges of £27.9m., against £21.92m.

Borrowings reached their peak towards the end of 1974, and it is estimated that if rates do not increase the interest charge for the second half should not exceed that for the first. For the year to September 30, 1974, pre-tax profit was £33.41m. after interest of £47.36m.

As before, the interim dividend is 1.4p net per 50p share. On the basis of current profit estimates the directors would expect an increase in the final—1.84p last year.

They consider the half-year results to be "very encouraging" in the difficult economic circumstances.

Wines and spirits was the only sector not showing an increase in profits, mainly due to a reduction in the export of wines from Europe and delays in obtaining domestic price increases in Australia, Canada and the U.K. Price increases have recently come into effect in all those countries.

	Half year 1974-75 £000	1973-74 £000
External sales:—		
Hotels, entertainment, etc.	177,696	150,409
Milk and food	151,953	103,866
Brewing and distribution	71,165	56,196
Wines and spirits	107,455	86,955
Betting and gaming	67,668	63,921
Total sales	555,967	461,327
Trading profit:—		
Hotels, entertainment etc.	17,509	15,474
Milk and food	4,542	4,152
Brewing and distribution	8,011	4,865
Wines and spirits	8,403	8,351
Betting and gaming	3,293	2,466
Total trading profit	42,057	35,267
Share associates	1,160	*52
Profit before int.	43,217	35,315
Loan stock int.	6,197	6,054
Other interest	21,699	15,359
Profit before tax	15,321	13,903
U.K. tax	6,560	5,565
Overseas	1,270	1,350
Associates	410	355
Net profit	7,071	6,630
Minority loss	130	†11
Attributable	7,201	6,619
Interim dividend‡	3,791	3,389

*Loss. †Profits. ‡ACT will cost £1,826,000 (£1,669,000).

Comparative figures for brewing activities have, so far as possible, been adjusted to reflect the reorganisation of Watney and Truman fully effective on October 1, 1974.

The Royal Manhattan Hotel, New York, and the Vandenheuvel Brewery, Brussels, were closed down during the period, but the relevant assets have not yet been sold. Redundancy payments and certain other expenses following closure have been treated as extraordinary items, but these, with other extraordinary charges to profit and loss account or reserves are approximately equal to the extraordinary credits arising in the same period, it is stated.

See Lex

Freddie Mansfield

Mr. Maxwell Joseph, chairman of Grand Metropolitan.

INDEX TO COMPANY HIGHLIGHTS

Provisions hit London Interstate

Pre-tax profits of London Interstate Bank, the consortium group, dropped from £282,961 to £47,388 in the year to end-March, as a result of substantial provisions for doubtful debts.

The bank achieved a significant increase in its operating profits, up from £554,180 to £631,459 before the provision, interest on its subordinated debentures and tax. But £300,000 against doubtful debts has been set aside out of profits.

At the net level, profits are down to £13,129, and in view of uncertainties in international banking the bank has decided to transfer £150,000 from its retained earnings to a reserve for contingencies.

The balance-sheet shows a drop in deposits from £59.7m. to £30m.; but the bank has increased its medium-term loan portfolio from £20.9m. to £26.9m. The chairman, Mr. Ian Stoutzker (who has now been succeeded by Mr. Ben Barnes) draws attention to the bank's relative strength, its modest involvement in the difficult areas of property and shipping finance, and the decision of the shareholders to convert their subordinated debentures into additional equity capital.

Shareholders are now to be First National Bank of Atlanta, Hamburgische Landesbank, Indiana National Bank, Keyser Ullmann, Maryland National Bank and Mercantile Trust Company of St. Louis.

Setback at Alpine—no dividend

GROUP TURNOVER for the year to January 26, 1975 of Alpine Holdings decreased from £10.09m. to £9.02m., and pre-tax profit contracted from £740,000 to £407,000, after £55,000, against £408,000 for the first 24 weeks.

Net taxed profit for the year came out at £122,000, against £352,000, subject to extraordinary debits of £358,000 (£46,000), and there is no dividend, compared with the previous year's total of 3.75p net.

The chairman, Mr. A. J. Dyer, says he is confident that after this difficult year, the company has a sound base from which to move forward in profits once more.

Since the end of the year group liquidity improved substantially and the directors are satisfied that facilities are adequate to finance the planned development of the continuing activities which show a satisfactory trading position in the first four months of the current year.

The past years results reflect losses incurred in discontinuing the home freezer—food delivery operations. Closure has been completed and figures presented include full provision for the actual losses suffered.

Also the directors have decided to discontinue the retail partnership enterprise in France. Subject to necessary Government consents an agreement has been reached and full provision for the loss to be incurred has been made.

	1974-75 £000	1973-74 £000
Turnover	9,016	10,092
Trading profit*	677	562
Non recurring debits	67	—
Share associates	54	67
Trading losses†	296	‡111
Profit before tax	407	740
Taxation	285	388
Net profit	122	352
Extraordinary debits	358	46
Net loss	236	‡306

*From continuing activities. †Discontinued activities. ‡Profits.

An encouraging picture emerges on the performance in the remaining divisions where resources are now concentrated. Isolating the figures for double glazing and aluminium windows, the major and continuing business, there was an increase in turnover to £7.47m. (£4.44m.) with profits before tax at £764,000 (£490,000).

Profit from continuing activities is struck after losses (£000s omitted) in Sally Ann Shops and freezer maintenance division of £56 (£70 profit) and other activities, including initial losses and expenses of new product development, £31 (£2 profit).

● comment

With the loss-making freezer activities out of the way from August, Alpine has turned in a far more respectable second half. Provisions already made for the freezer side are evidently more than sufficient so the slate should now have been wiped clean: and the remaining business of double glazing and window replacement stands to benefit from the current advertising campaign on energy conservation. However, borrowing would naturally have suffered at the year-end although there are now some signs of an improvement. But despite this step in the right direction the shares, at 12p (where the market capitalisation is £1.2m), will take some time to overcome the abortive move into freezers and frozen food—the company is still saddled with a small retail chain.

Jonas Woodhead advance

AFTER RISING by £265,000 to £1,264,000 in the first half, taxable profits of vehicles suspension specialists, Jonas Woodhead and Sons, finished the year to March 31, 1975, ahead by £603,000 at £2.95m. Turnover expanded from £25.3m. to £32.5m.

Earnings are shown to have risen from 17.8p to 21.1p per 25p share and the dividend is lifted from 5.243725p to the maximum permitted 5.69592p net with a final of 3.93717p.

	1974-5 £000	1973-4 £000
Group turnover	32,500	25,300
Trading profit	2,657	2,130
Share associates	93	217
Profit before tax	2,950	2,347
Tax	1,576	1,192
Extraord. credits	—	1,029
Attributable to members	1,374	2,153
Interim dividend	113	112
Final proposed	253	224
Pref. dividends	13	13
Retained	995	1,534

● comment

Considering that 70 per cent. of Woodhead's turnover is aimed at the automobile industry, sales and profits ahead by 28½ per cent. and 25 per cent. respectively is an impressive performance, and the shares put on 5p to 76p where they yield 12.2 per cent. To a certain extent the lower demand from the car manufacturers was offset by the less affected commercial vehicle industry, but it would seem that price increases must have accounted for most of the gains. Nevertheless, exports did help with a much better performance—up 53 per cent. to £5.2m. last year—but it is hard to believe that Woodhead can put in a repeat performance this time. Destocking by customers is certainly making itself felt on Woodhead's order books, and even though this is a temporary factor the possibility of a recovery in order levels looks remote in the light of current demand for motor vehicles.

Arthur Lee first half downturn

FIRST HALF (to March 31, 1975) turnover of Arthur Lee and Sons increased from £21.19m. to £23.34m., but pre-tax profit fell sharply from £1.49m. to £0.36m. The profit figure for the year to September 30 1974 was £3.65m.

Stated earnings per 12½p share decreased from 2.37p to 0.42p. A same again interim dividend of 0.35p net is declared, but the directors stress that the final (1.034p for 1973-74) will depend upon the year's results and prospects for the forthcoming year.

They report that trading in the majority of operations (steel bars, strip wire and wire rope) is currently at a very depressed level.

The half-year results are exclusive of stock profits estimated to be running at the rate of £1m. p.a. achieved last year, since it is the normal practise to deal with these only at the year-end.

	Half year 1975 £000	1974 £000
Turnover	23,345	21,185
Share associates	54	113
Pre-tax profit	358	1,485
Taxation	253	704
Minorities	74	41
Net balance	31	670

No account has been taken of losses sustained by the associate, Bugle Automotive Emission Systems, to which a receiver has been appointed. It is envisaged that its losses sustained during the current financial period are covered by provision already made.

It is estimated that if the difference of opinion with the Price Commission had not occurred, group profit before tax for the half-year would have approximately doubled.

● comment

Arthur Lee's half-year results—a drop of three-quarters in pre-tax profits—certainly comes as something of a shock but a maintained interim dividend lent support to the shares, which fell 1½p to 14½p last night, where the historic yield is 15 per cent. The problems stem from a sharp drop in strip output (overall group sales are only 10 per cent. ahead) and delays in putting through price increases on wire products until the second quarter. At the same time, the group is shouldering the costs of its £2m. investment programme of which the stainless strip project has not yet been completed. Stockholding has since fallen away, and second half prospects are poor, but the group's balance sheet was strong at the start of the year, with shareholders' funds of £12.8m. supporting net borrowings of £2.7m. It is doubtful whether stock profits running at over £1m., would be available to cover the cost of a maintained final dividend.

Results due next week

Next week sees little let up in the flow of results from a wide range of major companies. Tate and Lyle heads a list including two major brewers, Whitbread and Arthur Guinness. Statements are also expected from Tesco, English China Clays, J. Lyons and Compair.

Against a background of unprecedented upheaval in world sugar market, Tate and Lyle's pre-tax profits to September, 1974, jumped by £22.9m. to £40.8m., before pension provisions of £9.7m. By far the largest gain came from trading in sugar and molasses. The sugar price has recently collapsed but not before reaching a peak of £643 per ton in London, compared with £350 at the end of September. Pre-tax profits of around £27m. (£14.2m.) are expected on Thursday, before any provision that may be made against Paris sugar market losses.

The focus of cost pressures in the brewing indsutry has tended to move away from production to the retail side. But while this helps margins at Arthur Guinness—pre-tax profits last year dropped by only 5 per cent. to £22.6m., despite the Dublin brewery strike—there are doubts about its recent U.K. volume performance and the impact of rising interest charges. However, price increases at home and buoyancy in overseas markets should leave pre-tax profits in the £9½m.-£10m. range (£10.1m.) on Wednesday. Whitbread, on the other hand, whose interim pre-tax profits fell by 23 per cent. to £12.3m., may have put up a reasonable volume performance, but cost pressures could hold back the anticipated improvement in second half profits to leave pre-tax profits of £24½m.-£25m. (£27.7m.) on Wednesday.

Following on from Tesco's £2m. slip to £8.4m. at the interim stage the second half should have recovered somewhat to leave profits only slightly down in the latter part of the year. Costs have been soaring away, but it has been indicated that profitability has been improving, although a drastic recovery in margins is unlikely. The share price has been weak of late which could indicate some poor market expectations, but pre-tax profits in the £22m. to £24m. range (£24½m. after losses on the since disposed of Square Meals) could emerge from Wednesday's prelim.

The interim profits from English China Clays on Thursday are thought likely to be a little better than the comparable period's £7.69m. However, that period was dogged by the three day week and bad weather, so a small improvement would not be particularly impressive. Quarrying and building are obviously experiencing poor conditions. Meanwhile lower orders from the papermakers are hitting clay demand, and industry figures show that china clay production was down 9 per cent. during the period, which says a lot as ECC accounts for 90 per cent. of U.K. production.

The big factor when looking at J. Lyons is the gearing. At the half-way stage pre-tax profits fell from £6m. to £3.3m. after interest charges more than doubled to £8.7m. The preliminary announcement next Thursday could see annual profits of £6m. (£9.6m.) assuming interest charges of £18m. (£11.7m.), which is an uncertain figure at best. The trading background meanwhile has been poor. Ice cream and soft drinks sales were hit by a poor summer, tea profits have been affected by higher auction prices, and hotels and catering had problems. Still, overseas profits, particularly in the U.S. operations, should provide some support for the group.

Last year, Compair's second half performance was strong enough to leave pre-tax profits slightly ahead at £6.1m., after a mid-way decline of over a tenth. The first half of the current year will compare with period of restricted working and this, together with a firm overseas performance, may help to offset the effects of declining U.K. construction and industrial compressor demand. Pre-tax profit of around £3m. are expected on Wednesday (£2.4m.).

Other features among our company list new week include the interim figures from Comet Radiovision on Monday, while Tuesday will see the interim statement from Westland Aircraft (historically no interim figures are released). On Wednesday full year announcements are expected from London & Northern Securities and F. H. Lloyd along with half year figures from Avon Rubber and Lindustries. Thursday should see the annual profits from Powell Duffryn and an interim statement from S. & W. Berisford, while Turner Manufacturing reveals the first half outcome on Friday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Anderson Strathclyde	Thursday	3.25	4.628	3.5
Atkins Brothers (Hosiery)	Monday	0.75	1.775	0.575
Baileys of Yorkshire	Friday	0.7	1.8	0.7
British Steam Specialties	Tuesday	1.5	2.9	1.5
N. Brown Investments	Thursday	0.735	1.74	0.625
Bulmer & Lumb (Holdings)	Monday	1.0	1.15	1.125
Caffyns	Monday	1.4	2.09	1.4
Cattle's (Holdings)	Wednesday	0.343	0.431	0.369
Central & Sherwood Trust	Wednesday	0.735†	0.94	1.675†
Clover Dairies	Monday	1.75	2.548	1.75
Country and New Town Properties	Monday	—	0.625	—
Cullens Stores	Thursday	1.37†	2.179	1.52†
Dimplex Industries	Friday	0.595	1.025	Nil
Dom Holdings	Wednesday	1.225	2.01	1.307
Daniel Doncaster & Sons	Tuesday	0.92	1.427	1.169
Electric & General Investment	Monday	0.45	0.55	0.45
George Ewer	Tuesday	0.55	0.67	0.555
B. Fertleman and Sons	Tuesday	0.525	0.729	0.586
GEI International	Tuesday	1.103	1.759	1.187
Thomas Hardman & Sons	Thursday	0.77	0.74	0.804
Hargreaves Group	Tuesday	0.509	1.147	0.571
Haslemere Estates	Thursday	0.772	1.477	0.8
House Property Co. of London	Wednesday	—	2.216	—
Incledon & Lamberts	Friday	0.735	2.066	0.735
Invergordon Distillers (Holdings)	Wednesday	0.5	1.196	0.5
H. C. Janes	Wednesday	1.575	2.109	2.513
Land Securities Investment Trust	Tuesday	1.5	2.165	1.5
William Lawrence	Tuesday	—	2.256	—
F. H. Lloyd Holdings	Wednesday	0.963	2.68	1.25
London and Northern Securities	Wednesday	1.25	1.969	1.25
J. Lyons	Thursday	2.1	5.73	2.1
Midland Cattle Products	Thursday	0.75	1.131	0.875
A. Monk	Friday	1.25	2.642	1.25
Northern Securities Trust	Thursday	0.7	1.75	0.7
Nineteen Twenty-Eight Investment Trust	Thursday	1.575	3.425	2.0
R. Paterson & Sons	Monday	1.098	1.598	Nil
William Pickles	Tuesday	0.225	0.258	0.247
Powell Duffryn	Thursday	2.8	3.995	3.15
Property Holding & Investment Trust	Monday	1.75	2.737	1.75
Property & Reversionary Investment Con.	Wednesday	1.0	2.551	2.0
Rexmore	Wednesday	1.103	2.474	2.603†
Shaw & Marvin	Wednesday	0.75	0.509	0.75
Sketchley	Tuesday	0.93	2.157	1.0
Tesco Stores (Holdings)	Wednesday	0.479	0.647	0.539
Triplex Foundries Group	Tuesday	1.103	1.43	1.2
Unerman Holdings	Wednesday	1.4	2.88	1.4
Warren Tea Holdings	Monday	2.6	3.446	2.2
West Cumberland Silk Mills	Monday	0.49	1.035	1.5*
Weston Pharmaceuticals	Thursday	0.56	1.354	0.6
W.G.I.	Monday	0.575	1.759	0.639
Whitbread	Wednesday	0.575†	1.592	0.975
Wolverhampton Steam Laundry	Monday	—	0.441	—
INTERIM DIVIDENDS				
Anglo American Gold Investment	Monday	100	150§	
Avon Rubber	Wednesday	2.21	3.75	
S. & W. Berisford	Thursday	2.25	7.29	
Cardiff Malting	Wednesday	0.7	1.15	
Comet Radiovision Services	Monday	1.24	1.74	
Compair	Wednesday	1.0	1.75	
James H. Dennis	Wednesday	0.775	0.645	
Dobson Park Industries	Thursday	0.566	1.061	
Dundee & London Investment Trust	Thursday	0.7	1.0	
English China Clays	Thursday	0.562	1.278	
Arthur Guinness Son & Company	Wednesday	1.503	3.351	
Leyland Paint and Wallpaper	Friday	0.919	2.168	
Lindustries	Wednesday	1.108	2.631	
Lonsdale Universal	Monday	1.05	2.485	
Raeburn Investment Trust	Friday	1.05	1.95	
Tollemache & Cobbold Breweries	Wednesday	0.937	2.543	
Turner Manufacturing	Friday	0.923	2.092	
United Spring & Steel Group	Thursday	0.42	0.628	
Westland Aircraft	Tuesday	0.866	1.496	
Weyburn Engineering	Tuesday	2.5	3.153	
INTERIM FIGURES ONLY				
Tate & Lyle	Thursday			
Tomkinsons (Holdings)	Monday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes second interim. ‡ Forecast 5p final. § Cents.

UNIT TRUSTS

Schlesinger American 'PIMS'

Schlesinger Trust Managers is advertising the American 'PIMS' service this weekend, recommending that people invest 20 per cent. of their capital in the U.S.A. This is through the Trident American Growth Fund. The fund has the benefit of back-to-back loan facilities and the managers are basically optimistic about Wall Street. The 'PIMS' service is designed for the larger investor of £4,000-£100,000 and includes detailed bi-monthly reports, portfolio valuations, and regular meetings with the investment managers.

● comment

The U.S.A. has not exactly conformed to the vision of "streets paved with gold" for U.K. investors over the past five years, but Schlesinger American 'PIMS' is not exactly putting this forward as its investment concept. What the managers are saying, however, is that this is a good way for the larger investor to have an interest in the U.S. market and—in view of the current level of the dollar premium—investment through a professional fund makes sense.

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LAWSON HIGH YIELD

Lawson Securities is advertising the Lawson High Yield Fund this week-end, yielding an estimated 13.0 per cent. gross. The fund's portfolio is split as to 60 per cent. in high yielding equities and investment trust income shares and 40 per cent. in Preference shares. The minimum investment is £100 and accumulation units are available. Interest is paid quarterly instead of the usual form of twice-yearly.

● comment

The Lawson High Yield Fund remains among the leaders of the high income trusts and has attractions to investors whose prime requirement is income. The Preference share content of the portfolio provides high income and stability, while the equity portion gives the fund the means of providing income growth. High yielding equity shares usually provide above average capital growth potential, so investors could benefit both ways.

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M & G BONUS

M & G Trust (Assurance) is offering its new M and G Guaranteed Bonus Bond this week-end, enabling basic rate taxpayers the opportunity of securing a guaranteed net income over four years of 8 per cent. per annum. Income is paid annually on September 30, but the first payment is not due until 1976. But investors who apply by June 30 will receive a proportionate 2 per cent. payment in September this year. Higher rate taxpayers are liable to tax on income in excess of 5 per cent. The minimum investment is £1,0

At maturity on September 30, 1979, the investor can have his original outlay returned or convert, on favourable terms, into one of M and G's bond funds. On death before maturity, the original outlay is returned together with the appropriate portion of the next income payment, but the surrender value will depend on interest rate levels at the time of cash-in.

● comment

The M and G Guaranteed Bonus Bond is very similar to the now defunct guaranteed income bond in that it provides the investor with a guaranteed level of income over the investment period and the return of the investment at the end of the period. The underlying investment vehicle, however, is a single premium life assurance policy with guaranteed cash bonuses—the latter providing the income. The company has avoided the pitfall of guaranteeing a generous level of surrender values. The investment has attractions for investors who wish to adopt a wait and see attitude until they are certain that the market has settled down.

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TARGET INTNL.

The Target International Fund is being offered this week-end by the Target Trust Managers, with a minimum investment requirement of £200. The fund's investment aim is capital growth and it seeks this in the world-wide equity market. The spread at present is North America (38 per cent.); Europe (28 per cent.); Australia (20 per cent.); Canada (8 per cent.) and the Far East (5 per cent.). The present estimated yield is 2.15 per cent. gross. A share exchange scheme is available.

● comment

The fund managers feel that it is sensible for investors to put part of their portfolio in overseas investments and the Target International Fund offers investors the vehicle to do this. The fund has provided for foreign currency requirements by borrowing against sterling deposits thus largely avoiding payment of the expensive investment dollar premium. The fund has not performed brilliantly against U.K. investment indices, but overseas investment should only be undertaken for the medium-to long-term.

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UNICORN SHARE EXCHANGE

Barclays Unicorn is advertising its Share Exchange Scheme this week, emphasising the advantages of exchanging a portfolio of shares for units of Barclays Unicorn investment trust. There are 14 Barclays Unicorn trusts with funds of £250m. and normally investors save the brokerage on the sale of their shares when operating through the exchange plan.

● comment

The Barclays Unicorn Share Exchange Scheme is one of the numerous share exchange schemes which have been gaining in popularity over the past year or two. If one decides to go into unit trusts and has an existing portfolio one can save on costs by going through this scheme

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TYNDALL INTNL. EARNINGS

The Tyndall International Earnings Fund is on offer this week-end with a minimum application of £1,500. The advertisement is linked with the share exchange scheme which offers Ordinary shareholders the opportunity to exchange their shares for units on advantageous terms. Since the launch last December the unit value of the trust has almost doubled and the yield has halved. The fund is invested essentially in U.K. shares with "overseas earnings."

● comment

The problem with the Tyndall International Earnings Fund is that it is suffering from an embarrassment of success in the investment sphere. It was launched at the right time and has performed so well that one wonders whether there is anything more to go for and whether "high overseas" U.K. shares still have much more to offer. This is a matter of judgment but one would guess that the Tyndall management would change its spots if it saw that the time was right.

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JASCOT COMPOUND

Jscot Securities is advertising the Jascot Compound Fund this week-end, yielding an estimated 10.8 per cent. gross. The fund's aim is capital growth and it achieves this by investing in high yielding equities. The minimum investment is £200 and accumulation units are available.

● comment

The investment principle underlying the Jascot Compound Fund is that high yielding equity shares tend to be undervalued, hence the reason for the high yield. Therefore, such shares provide above average capital growth prospects and Jascot offer this fund for capital conscious investors. However, at 10.8 per cent. the yield does offer investors a high level of income with prospects of future growth, so investors can use the fund to hedge their bets.

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NATWEST'S UNIT TRUST PLANS

The National Westminster Bank said it had plans to launch new unit trusts in addition to the four which are currently available. This will take place in the near future. The existing trusts amount collectively to £53m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Alpine Holdings	nil	—	2.0	nil	3.75
Arbuthnot Latham	4.92	Aug. 1	4.32	7.61	7.01
Brit. Cinematograph	1.11	—	1.02	1.11	1.02
Bucknall Trust	1.2	July 11	0.88	1.78	1.4
James Cropper	0.75	—	0.92	1.72	1.8
Ch. Goldrei Foucard	1.34	—	1.34	2.01	2.04
Grand Metropolitan ...int.	1.4	Oct. 27	1.4	—	3.24
Grootvlei	10(b)	Aug. 8	17	—	32
Highams	1.6	Aug. 11	1.6	2.3	2.3
Kinta Kellas Tin	30(c)	—	22.38	30	22.38
Arthur Lee ...int.	0.35	July 15	0.35	—	1.38
Marievale Cons. ...int.	17(b)	Aug. 8	34	—	84
Pilkington Bros.	4.35(a)	Sept. 18	3.88	8.72	7.93
Swan Ryan Intl. ...int.	0.63(d)	—	0.63	—	2.13
Uniflex Furn.	1.06	—	1.06	1.06	1.06
Thos. W. Ward ...int.	1.22	July 1	1.26	—	3.77
Jonas Woodhead	3.94	Aug. 6	3.5	5.7	5.25

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) In cash or shares. (b) SA cents. (c) After Malaysian tax. (d) Gross throughout.

Pilkington down by £20.3m.

PRE-TAX PROFITS of the Pilkington Brothers glass manufacturing group have fallen by some £20.3m. to £23.44m. for the year to March 31, 1975, compared with 1973-74, after being down £8.3m. to £14.36m. at halfway.

Earnings, after tax and before extraordinary items, are shown to have dropped from 34.3p to 12.8p per £1 share for the year. A final dividend of 4.354p, in cash or shares, lifts the net total from 7.93p to 8.717p—equal to 13.21p against 11.576p gross.

Chairman, Sir Alastair Pilkington, explains that severely reduced demand from the motor and building industries, coupled with inflation and the inability to increase prices sufficiently, brought a sharp decline in trading profits, which slumped from £23.49m. to £7.44m.

While the year started quite well, the effect of these adverse factors was felt strongly later in the year, he says.

In Australia, as reported at the end of the half year, the sudden drop in demand was particularly damaging, forcing temporary closure of the new float plant there—the plant is now manufacturing again. In the U.K., results were also considerably affected by the very low demand for colour television glassware, aggravated by high imports of completed TV sets and tubes.

Sir Alastair adds that among the bright spots, demand for energy saving products increased and the Fibreglass Insulation Division had a good year. Confidence in continued growth in demand for insulation products is reflected in the acquisition of Kitson's Insulations and in the decision to double existing capacity for glass wool manufacture by building a new plant in South Wales.

Licensing income — £15.27m. against £17.44m.—continued to provide a substantial cash inflow. Despite a temporary reduction in total world sales of float glass the year's income is the second highest on record and this income "will grow further."

Capital employed increased to £310m. from £251m. last year. Rapid inflation has a serious effect on working capital, the chairman points out—financing of stocks and work in progress alone required an additional £22m. The deferment of tax on the higher stock values in the U.K. is "welcomed."

He stresses that low gearing and the policy of charging for increased cost of replacing plant and buildings in the profit and loss account have proved to be of "great strength to our cash flow."

Although some capital projects were cancelled and others re-phased, capital expenditure was nevertheless substantial at £36m. "We will continue to take the special investment opportunities which will help assure our future," Sir Alastair declared.

The average numbers employed during the year were 33,600 (32,300) but there has been a reduction in the last few months. Total wages and salaries bill was £91.5m. (£75.3m.).

On prospects, the chairman says "we are weathering the storm and remain confident about the future. There are indications that we may have reached the bottom of the trough but it is not yet clear when demand will recover. We are making ready to take advantage of recovery when it comes."

	1974-75 £000	1973-74 £000
Outside sales*	241,758	226,576
U.K. trading profit	4,442	11,472
Overseas	3,000	11,924
Total trading†	7,442	23,494
Licensing income	15,589	17,436
Share of associates	2,328	3,212
Int. less invest. income	1,880	367
Profit	23,439	43,770
Taxation‡	16,186	21,728
Net profit	7,253	22,048
Minority shareholders	270	1,988
Balance	7,523	20,060
Extraord. credits net	—	517
Attributable	7,523	20,576
Interim dividend	2,351	2,370
Final proposed	2,820	2,268
Retained profits	2,352	15,942

* U.K. companies £168.47m. (£144.84m.) and overseas companies £97.06m. (£109.34m.) less to group members £23.78m. (£26.81m.). † After depreciation of fixed assets £14.49m. (£12.07m.), contribution to replacement £4.51m. (£2.90m.), and obsolescence—assets sold or scrapped £1.69m. (£1.74m.) and set aside for future years £1.35m. (£1.06m.). ‡ Including deferred, comprises U.K. £12.33m. (£15.96m.) and overseas £3.86m. (£5.76m.). Relationship between profit and tax charge affected by disallowance for tax purposes of charges for replacement and future obsolescence and by losses in certain subsidiaries.

See Lex

T. W. Ward expects same profit

FIRST HALF (to March 31, 1975) turnover of Thos. W. Ward expanded from £67.03m. to £94.47m., and pre-tax profit advanced from £3.96m. to £4.18m.

The directors emphasise that it is essential that measures should be taken to reduce the rate of inflation and restore confidence in industry generally if the group is to maintain the growth it has achieved in recent years. However, immediate prospects indicate that despite the problems current year profits should be similar to the £7.93m. for the year to September 30, 1974.

Basic earnings per 25p share are shown at 5.1p (4.8p) for the half year or 4.6p (4.3p) fully diluted. The interim dividend is 1.21875p net, against 1.25625p. Last year's total was 3.76875p.

	Half year 1975 £000	1974 £000
External turnover	94,469	67,030
Depreciation	1,341	820
Trading profit	4,759	3,778
Share associates	703	1,217
Iron and steel profit	2,833	2,533
Construction industry	1,550	1,885
Engineering	217	*222
Motor vehicle	450	330
Industrial services	412	480
Total profit	5,462	4,995
Loan interest	1,280	1,037
Profit before tax	4,182	3,958
Estimated tax	2,178	2,053
Minority	10	6
Extraordinary debits	201	74
Attributable	1,793	1,793
Dividends	474	489
Retained	1,319	1,304

* Loss.

The engineering division figures are encouraging, but Marshall-Fowler still has problems and its future is a matter of grave concern. Benefits accruing from the recent re-organisation are being offset by increasing costs, the directors state.

They point out that the increased loan interest charges reflect the continuing problem of having to finance higher levels of working capital and also to invest in capital projects designed to improve efficiency and provide future profits.

The 41 per cent. rise in turnover reflects principally both inflation and the increase in activity in many areas of the group, as well as comparison with a period which included three-day working.

The construction industry division includes the cement, quarrying and road surfacing interests which have been adversely affected by the reduction in public spending. The figures include the appropriate proportion of interim results of Tunnel Holdings and Ribblesdale Cement for the six months ended September 30, 1974, when there were problems associated with the suspension of the "long-established and well-proved pricing arrangements of the cement industry."

● comment

Thos. W. Ward's half time results are a rather mixed bag with the main scrap and steel interest up some 11 per cent., a turnround in engineering but an 18 per cent. shortfall in construction: overall the pre-tax gain is 6 per cent. Interest charges have obviously been a drag on the results and must go some way in explaining the lower growth factor than that achieved by Geo. Cohen in scrap and steel interests, during the same period. Indeed, borrowings at some £46m. against a year-end net worth of £34m. must now be approaching the limit. Trading, however continues to improve with the associates due to chip in a sizeable increase and a maintained high tonnage in scrap; but the shares at 51p, yielding 11½ per cent. must have one eye on the balance sheet.

Highams second half setback

GROUP PROFITS, before tax, of textile manufacturers, Highams, decreased from £723,901 for 53 weeks to £630,405 for the 51 weeks to March 22, 1975, after £391,000, against £289,000, for the first half. Turnover for the year expanded from £13.93m. to £18.6m.

Stated earnings per 25p share fell from 6.666p to 5.63p. A final dividend of 1.5969p makes a same again net total of 2.2969p.

The directors say the second half, particularly from January onwards, was very disappointing on account of a very sharp decline in demand for the main products.

Profits suffered from pressure on margins due to inflation and depressed conditions both here and abroad. These conditions still persist and to make any forecast would be "very hazardous."

Liquidity of the group has, however, improved over the last year.

Courtaulds has a substantial interest in the company.

	*1974-75 £	1973-74 £
Group turnover	18,598,661	13,[illegible]
Profit	1,007,455	[illegible]
Interest charges	377,050	[illegible]
Profit before tax	630,405	[illegible]
Taxation	322,168	[illegible]
Net profit	308,237	[illegible]
Dividends	125,677	[illegible]

* 51 weeks.

Peacock Sasini on target

PROFIT BEFORE tax of Peacock Sasini Estates increased from £494,013 to a record £634,542 in the year to September 30, 1974.

At halfway the directors estimated that this figure would be in the region of £650,000 and said that attributable profits would be in line with 1972/73. Dividend total was not expected to be less than the 3.4125p gross (2.331375p net) paid in 1972/73.

At the net level dividend for the year is 2.49539p per 10p share. Stated earnings per share are up from 7.7p to 8.8p.

	1973/4 £	1972/3 £
Turnover	1,428,967	[illegible]
Pre-tax Profit	634,542	[illegible]
Tax	323,013	[illegible]
Minorities	145,0[illegible]	[illegible]
Extraord. Debits	†3,342	[illegible]
Retained	11,678	[illegible]

† Credit.

SUMMARY OF THE WEEKS' COMPANY NEWS

Take-over bids and mergers

Thorn Electrical has produced its promised counter-bid for **Sheffield Twist Drill and Steel** following Government clearance for both the Swedish SKF group's £10.46m. cash offer for ST and any Thorn offer. The SKF terms of 77½p per share carried the recommendation of the ST Board, *but Thorn has pitched its* offer at 85p cash for each Ordinary to value the equity at £11.48m. Both Thorn and SKF have been buying ST shares in the stock market and Thorn's stake stands at some 7¼ per cent. SKF yesterday announced that it owns 16.6 per cent. of the shares and acceptances so far received for its offer, now extended to June 19, amount to a further 21.5 per cent.

Construction equipment group **A. Gunn (Holdings)** has agreed to recommend a *shares and cash offer* from **Hewden-Stuart Plant**, capitalising the former at some £3.2m. Members of the Gunn Board have irrevocably undertaken to accept in respect of their shareholdings, amounting to a third of the Gunn equity. Another 24 per cent. is owned by United Dominions Trust.

Following the company's announcement in mid-April that negotiations were being held with an unnamed party—which might lead to an offer, **Argentine Southern Land** has now reached agreement with Luxembourg-based **Great Western Corporation** on a cash bid from the latter at the *previously* intimated price of 60p per ASL share. The whole ASL share capital is thus valued at £2.4m.

Ferguson Industrials Holdings has agreed to buy from **Bank Bridge Group** about 61 per cent. of the equity of engineering group **Wright-Scriven** at 13p a share and intends to bid at the same price for the outstanding shares.

Mr. J. Grant has purchased a 46.5 per cent. stake in **Hanover Grand**, hoteliers, caterers and coach operators, at 5p a share, and is offering the same amount for the remaining equity. An offer of £26 per share is being made for **Seaham Harbour Dock** (shares currently suspended at £5) by **Tinline Estates**.

The Take-over Panel has ruled that a full-scale offer for **London Tin** should be made or procured by **Haw Par** and the **Malaysian Government's Pernas Securities** if the proposed Haw Par/Pernas deal, which would result in Haw Par increasing its stake in London Tin from just under 30 per cent. to slightly over 50 per cent., goes through.

Company bid for	Value of bid per share k	Market price k	Price before bid	Value of bid (£m's) k	Bidder	Final Acc't'ce date
Argentine Southern Land	60*	56	34	2.4*	Gt. Wstrn. Cpn.	3/7
Bryanston Finance	7*	7	9	0.5*	A. T. Smith Organisation	—
Clifton Invs.	4½*d	6½	4½	0.15*d	Aries Hldgs.	—
Cons. Commercl.	26	27	34	1.1	Rubislaw Invest. Tst.	—
Consolidated Tin Smelters	187	180	176	7.3	Amal. Metal	—
Court Hotels	30*	32‡	32	1.3*	BSQ Secs.	—
Curzon Indl.	—	6	4½	2.4e	Agreed merger	—
Turner (Ben)	—	6½	6½			
Francis Inds.	31	26	25	1.3	Eva Inds.	—
Greening (N.)	23	25	16½	5.3	Johnsn. & Firth Brown	26/6
Gunn (A.)	60	55	59	3.2	Hewden-Stuart	—
Hanover Grand	5*d	8	8	0.1*d	Mr. J. Grant	—
Hellenic & General Trust	48*	47	35	7.3*	Hambros	—
Leadenhall-Strlng. Invests.	55*d	52	31	0.6*d	Brit. & Cmmwlth. Shipping	—
Midland-Yorkshire	424d	422	275	5.9d	Croda Intl.	20/6
Scotia Invs.	17*d	17½	20	0.6*d	Alco Metrop. Properties	—
Seaham Harbour	£26*	£5‡	£5‡	0.6*	Tinline Ests.	—
Sealed Motor Construction	40	41½	43	2.2	Adwest Grp.	20/6
Sealed Motor Construction	44	41½	38	2.4	Myson Group	—
Sheffield Twist	85*	85	78	11.5*	Thorn Elect.	—
Sheffield Twist	77½*	85	39	10.5*	SKF	19/6
Wright Bindley	60*d	59	45	0.6*d	Pentos	30/6
Wright-Scriven	13*d	13	13	0.5*d	Ferguson Indl.	—

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 13/6/75. k Based on 12/6/75. n Notional value. ‡ At suspension. † Bid.

Scrip Issues

Crosby Spring Interiors: One-for-one.
Dartmouth Investments: One-for-eight.
Guthrie Corporation: One-for-five.
Tobenoil: One-for-ten.

Offers for sale, placings and introductions

Akroyd and Smithers: Introduction £2m. issued share capital in Ordinary 25p shares.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Alpine Soft Drinks	Mar. 29	505	(443)	10.7	(9.5)	5.6	(5.2)
Amalgd. Indust.	Dec. 31	1,170	(1,104)	2.7	(3.4)	1.005	(1.028)
Armitage Shanks	Mar. 29	1,799	(3,877)	5.3	(11.7)	3.96	(6.245)
Assoc. Brit. Foods	Mar. 29	45,516	(39,745)	6.0	(5.5)	1.589	(1.463)
Atlantic Shipping	Mar. 31	491	(435)	14.8	(13.4)	14.6	(23.5)§
A. & C. Black	Dec. 31	181	(169)	9.2	(8.9)	3.995	(3.675)
J. Booth (Bolton)	Mar. 31	142	(102)	5.6	(4.2)	1.5	(1.38)
British Tar	Mar. 31	1,103	(674)	6.7	(4.8)	1.34	(0.676)
Burnett & H'mshre	Mar. 31	1,098	(890)	13.3	(10.3)	2.674	(2.463)
Carless Capel	Mar. 31	2,184	(1,192)	6.6	(3.1)	0.751	(0.692)
Century Oils	Mar. 31	1,009	(657)	7.0	(4.9)	1.947	(1.788)
Chambrln. Phipps	Mar. 31	1,276	(1,853)	2.5	(3.2)	1.741	(1.614)
Chapman (Blhm.)	Mar. 31	1,200	(736)	36.1	(18.0)	3.609	(3.324)
Charrington Gdnr.	Mar. 31	2,939	(3,497)	3.8	(4.4)	2.6	(2.51)
Chloride Group	Mar. 31	16,227	(13,665)	10.8	(9.7)	3.386	(3.115)
George Cohen 600	Mar. 31	10,228	(5,687)	12.0	(6.6)	3.082	(2.82)
Crosby House	Dec. 31	325	(228)	26.4	(21.7)	8.5	(7.52)
Crosby Spring Ints	Mar. 31	379	(210)	3.6	(1.9)	0.967	(0.886)
Dartmouth Invs.	Mar. 31	240	(182)	1.7	(1.3)	0.678	(0.623)
Electronic Rentals	Mar. 31	6,517	(5,952)	5.0	(5.0)	1.296	(1.195)
Fashion & General	Mar. 31	146	(128)	5.6	(5.0)	3.701	(3.41)
Fraser Ansbacher	Mar. 31	463	(1,204)	0.4	(1.5)	0.715	(0.76)
Gordon Johnson-S.	Feb. 28	352	(312)	9.3	(8.2)	1.5	(1.445)
N Greening & Sons	Mar. 31	1,616	(931)	3.4	(2.1)	2.0	(1.4)
Guthrie Corpn.	Dec. 31	9,329	(8,782)	15.7	(32.7)	13.2	(13.104)
Hambros	Mar. 31	3,096‡	(5,686)	14.5	(26.9)	7.1	(6.531)
Hawley-Goodall	Dec. 31	99L	(44)	—	(0.7)	Nil	(0.1)
C. Hill of Bristol	Dec. 31	154L	(274)L	—	(—)	2.6	(4.11)
Hill Samuel	Mar. 31	5,296‡	(6,233)	9.1	(11.1)	3.556	(3.274)
Ingersoll Group	Mar. 31	268	(255)	5.0	(4.6)	1.375	(1.25)
Johnson Matthey	Mar. 31	17,139	(15,200)	48.9	(42.2)	10.226	(9.394)
Thomas Locker	Mar. 31	1,804	(1,060)	2.1	(1.3)	0.648	(0.595)
McNeill Group	Dec. 31	336	(593)	9.8	(13.2)	2.619	(2.384)
Minster Assets	Dec. 31	5,143	(2,899)	5.2	(3.5)	2.73	(2.522)
Mountview Estates	Mar. 31	637	(629)	6.1	(6.0)	1.0	(0.936)
Nat. Carbonising	Mar. 31	1,728	(1,219)L	5.3	(—)	0.65	(Nil)
Northn. Gldsmths.	Feb. 28	453	(308)	23.1	(16.2)	4.677	(4.245)
Ocean Wilsons	Jan. 31	1,610	(1,613)	16.8	(16.6)	2.126	(1.946)
Pauls & Whites	Mar. 31	2,809	(2,468)	7.1	(7.6)	2.883	(2.613)
Pegler-Hattersley	Mar. 31	8,527	(9,618)	17.5	(19.2)	5.507	(5.07)
Petbow Holdings	Mar. 31	1,821	(1,066)¶	17.0	(10.6)¶	5.085	(5.82)¶
R. & J. Pullman	Mar. 31	873	(867)	11.3	(12.6)	7.439†	(6.615)
Rowlinsn. Cstctns.	Mar. 31	421	(294)	6.5	(4.6)	1.84	(1.77)
Sangers	Feb. 28	916	(1,466)	6.1	(12.4)	4.8	(4.8)
Scoteros	Mar. 31	601	(521)	5.0	(4.2)	2.417	(2.222)
Sena Sugar Ests.	Dec. 31	4,841	(1,035)	22.0	(7.0)	Nil	(3.38)
Streeters of Gdlmg	Dec. 31	439L	(506)	—	(6.2)	0.5	(1.98)
Tobenoil	Mar. 31	352	(543)	2.6	(2.3)	0.673	(0.622)
Travis & Arnold	Feb. 28	2,631	(3,912)	14.6	(20.6)	2.837	(2.608)
Tunnel Holdings	Mar. 31	4,121	(4,599)	17.9	(19.3)	8.136	(7.493)
URM Group	Feb. 28	5,070	(7,752)	6.1	(10.1)	4.2	(4.141)
U.K. Optical	Mar. 31	2,630	(2,173)	11.9	(10.6)	3.15	(2.892)
Valor	Mar. 31	816	(2,620)	4.5	(11.2)	2.168	(2.165)
Vantona	Mar. 29	2,542	(3,395)	15.2	(25.1)	3.263	(3.01)
Wace Group	Dec. 31	45	(104)	1.4	(4.1)	0.934	(0.864)
J. O. Walker	Dec. 31	391	(334)	22.2	(21.6)	2.91	(2.683)
Warnford Invests.	Dec. 25	1,271	(993)	6.3	(5.7)	3.96	(3.652)
Wheway Watson	Mar. 30	850	(515)	3.1	(1.2)	0.331	(0.489)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
A. Arenson	Jan. 31	304	(234)	0.620	(0.617)
Bluemel Bros.	Mar. 29	121	(55)	1.225	(0.75)
BOC International	Mar. 31	20,882	(13,997)	0.91	(0.816)
J. W. Cameron	Mar. 30	906	(788)	1.25	(0.93)
CGSB Holdings	Mar. 31	118	(77)	0.35	(0.35)
Elson & Robbins	Mar. 31	429	(495)	1.0	(0.9)
EMI	Mar. 31	2,034a	(2,521)	—	(—)
Harrisons & Crsfd.	Dec. 31	11,490	(—)	12.013	(—)
Intnl. Computers	Mar. 31	7,081	(5,814)	—	(—)
Land & Hse. Prpty.	Mar. 31	629	(964)	1.723	(1.58)
Lonrho	Mar. 31	20,300	(16,000)	—	(—)
Seafield Gentex	Mar. 31	278L	(658)	Nil	(1.875)†
Tobacco Secs. Tst.	Apr. 30	1,876	(2,171)	2.625	(2.625)

(Figures in parentheses are for corresponding period.)

Dividends shown net except where otherwise stated.

* Adjusted for any intervening scrip issue. † Gross. ‡ Net. § Includes special payments. ¶ For 15 months. a Third-quarter net income (L) Loss

Rights Issues

Barrow Hepburn Group: One-for-four at 25p each.
BOC International: One-for-four at 46p each.
Carless Capel and Leonard: One-for-three at 40p each.
Century Oils: One-for-four at 30p each.
Macfarlane Group (Clansman): One-for-two at 25p each.
Pegler-Hattersley: One-for-five at 105p each.
U.K. Optical and Industrial Holdings: One-for-four at 65p each.
Unicorn Industries: One-for-four at 50p each.
Wheway Watson Holdings: Three-for-five at 5p each.

Teacher's prospects sound in the long-term

IN SPITE of the difficulties, the directors of **Teacher (Distillers)** feel that over the long-term the prospects of the company are sound, chairman Mr. A. K. Bergius tells members.

Pre-tax profits for the year ended January 31, 1975, reported May 28, advanced from £1.68m. to £1.81m. and the dividend is maintained at 8.2154p net.

Mr. Bergius points out that the period was one of rising costs and high inflation and says it is a matter of "somer relief" that a price increase of 80p per case was implemented from February 1, 1975, followed by a further 85p per case from May 1 in the company's important home market.

However, the "hard fact remains" that in spite of an increase in turnover of 23 per cent., profits on the sale of Teacher's Highland Cream were down by 15 per cent. The chairman considers the industry to be in an exceptional position and during the second half it was not possible to secure an increase in the U.K. price on account of the conditions set by the Price Commission.

This had the effect of forcing an unrealistically low price in the U.K. market, the second largest individual market in the world, and this in turn, prevented the industry from increasing export prices because too great a disparity between home and export prices makes it possible for a U.K. wholesaler to enter the export trade and ship a brand into a market where regular sales are dependent on orderly handling through an appointed agent.

On account of these conditions, the company was forced during the period to trade with insufficient margin to finance future stocks and future investment. Bank loans rose from £5.7m. to £10.5m. and interest paid on this from £567,800 to £1,085,300.

He adds that the company has not, as yet, adopted inflation-based accountancy but are considering its introduction. As a first step, *he feels it is of interest* to know that whisky stocks have a value at cost of £11.5m. whereas two leading whisky brokers *have* valued them on a replacement basis at £23.5m. The stock relief provisions result in virtually no corporation tax being due on the profits of the year.

Capital expenditure of £3.5m. during the two years ended January 31, 1975, together with an increased level of investment in whisky stocks and excise duty, has resulted in a "significantly" higher level borrowing during the year. Plans are in hand to raise sufficient medium-long term finance to meet demands of the business for the foreseeable future.

A geographical analysis of turnover in percentages shows: U.K. 53, North America 20 and other export markets 27.

Meeting, Glasgow, on July 9 at 11.30 p.m.

Dowgate & Gen. defers Pref. dividend

The directors of **Dowgate and General Investment**, the investment and dealing company which was run by Mr. Christopher Selmes, have stated that the Preference dividend due to be paid on June 30 will have to be deferred.

Earlier tihs year, Mr. Selmes resigned from the Board and reduced his shareholding to below 10 per cent. Dowgate, together with another Selmes company, CST Investments, are currently being investigated by Department of Trade inspectors appointed under Section 165 (b) of the 1948 Companies Act. Dowgate and CST's association stems from CST's controversial £22.5m. bid for property company, Grendon Trust, in 1973.

Explaining deferrment of the dividend, the directors refer to recent events, including agreements to limit the liability on a major office development in Paris. *They say they are not able at* present to ascertain to what extent, if any, a provision should be made against the amount by which the deposit of £1m. with Commercial Union Assurance might exceed the value of the security received from St. Clements Estates (which owns some 50 per cent. of Dowgate's equity).

If a provision were necessary, *there would probably be no pro*fits for the year ending July 31, 1975. In accordance with advice received from the company's auditors, the directors have decided that, in order to avoid the possibility of paying dividends out of capital, the Preference should be deferred.

J. Cropper dividend below forecast

PAPER MANUFACTURERS, **James Cropper** announces an improvement in taxable profit from £289,787 to £310,179 for the year to March 30, 1975, after a rise from £84,122 to £268,417 at halfway.

At midway the Board said if there was no drastic change in conditions they would expect to pay a final dividend of not less than the interim of 0.96875p net.

However, there has been such a marked change in trading since December, 1974, that the Board now considers it prudent to declare a final of 0.75p. This makes a total of 1.71875p against 1.79625p at a cost of £27,500 (£28,740).

After tax of £149,000 (£145,003) the net balance emerges at £188,179 compared with £171,784. Loan stock interest amounts to £27,000 (same) and £133,679 (£116,044) is carried to reserves.

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Arbuthnot Latham Holdings

THE LESS satisfactory overall group result expected by **Arbuthnot Latham Holdings** for the year to March 31, 1975, turns out to be a net attributable profit, before extraordinary items of £598,000, compared with £712,000 in 1973-1974.

The net dividend total is lifted from 7.015p to 7.611p per £1 share, with a final recommendation of 4.916p.

Net profit of the banking group, after tax and transfers to inner reserves out of which provision has been made for diminution of value of assets, was slightly more than maintained at £486,000 (£477,000) but that of the other companies, before loan interest but after tax and minorities, slipped from £364,000 to £266,000.

The extraordinary items are debits of £292,000 (£185,000) in the non-banking group, less transfers from capital reserves £205,000 (£260,000) leaving £87,000 (£75,000 credit) net.

	1974-75 £000	1973-74 £000
Profit after tax	752	841
Banking Group	486	477
Other companies	266	364
Int. payable after tax relief	154	129
Net profit	598	712
Extraordinary items	87	75
Balance	511	787
Pref. dividend	16	16
Ord. interim	99	99
Proposed final	191	159
To contges. reserves	150	100
Retained	1,803	938

Investment Trust Corpn.

The 4.527p per share net dividend recommended by **The Investment Trust Corporation** for the years to May 1, 1975, is covered by the present estimate of revenue for the current year, the directors state.

As known, gross revenue increased by £278,709 to £3,044,778. The advance is accounted for by *increased dividends on invest*ments, and a substantial improvement in deposit interest arising from increased liquidity, the directors explain.

Statement Page 20

Rights issue by Bucknall

Reporting profits up from £19,220 to £29,443 before tax of £9,696 (£5,446) for the year to March 31, 1975, the directors of **Bucknall Trust** also announce a three-for-two rights issue at 40p to raise some £546,000. The issue has been underwritten.

The final dividend is 1.2p, lifting the total from 1.4p to 1.725p net.

The 1.44m. new shares will not rank for the final dividend but will rank pari passu in respect of the current year.

Profit held at Uniflex Furniture

AFTER AN advance from £93,041 to £123,403 at midway, pre-tax profit of **Uniflex Furniture** shows little change at £310,000, against £307,000, for the year ended January 31, 1975.

Earnings are stated at 5.45p compared to 7.73p per 10p share and the dividend is maintained at 1.055p net. Dividends totalling £10,894 (£11,042) have been waived.

	1974/5 £000	1973/4 £000
Turnover	5,393	3,629
Assoc. profit	—	3
Pre-tax profit	310	307
Tax	183	127
Net profit	127	180
Pre-acquisition	101	—
Attributable	26	180

Trans-Oceanic improvement

Revenue before tax of **Trans-Oceanic Trust** advanced from £258,600 to £368,200 for the six months to April 30, 1975.

The interim dividend is 1.05p net, as known. Last year's total was 3.35p from gross revenue of £897,152.

	6 months 1974/75 £	1973/74 £
Revenue*	366,200	258,600
Tax	142,000	86,400
Preference div.	10,500	10,500
Avail for Ord.	215,700	161,700
Interim div.	110,516	110,253

* After interest and management expenses.

I. J. Dewhirst advance

ALTHOUGH the economic situation made it impossible for Mr. Alistair Dewhirst, chairman of **I. J. Dewhirst**, to forecast full year results at the annual meeting, he nonetheless foreshadowed half-year sales to July 18, 1975, up from £2.5m. to £3m., and pre-tax profits up from £201,000 to "close to £300,000."

Referring to the recent statement by Sir Marcus Sieff, chairman of Marks & Spencer, that two major manufacturers in the U.K., with the help of Swedish consultants, had developed factories specially engineered to produce high-quality suits for M & S, Mr. Dewhirst said that Dewhirst was one of those two.

The suits factory—at Pennywell, Sunderland—was being extended and additional production area would be in operation in the autumn, as planned. Meanwhile, the company's factories making shirts and blouses "have full production programmes," said Mr. Dewhirst.

Headcrest loss

A pre-tax loss of £102,137 was incurred by **Headcrest Investments** for 1974 compared with a profit of £152,166 in the previous year. At half-way when reporting a loss of £67,734 (profit of £56,721) the directors said they believed second half results would show a considerable improvement and that, given reasonable conditions, the group would quickly return to profitability.

Loss per 20p share is given at 4.05p (earnings 3.94p) and diluted at 3.15p (earnings 3.32p). There is no dividend compared with 0.5p net last year.

	1974 £	1973 £
Turnover	1,380,130	2,221,925
Operating loss	197,423	*113,955
Share assoc. profits	95,286	38,211
Loss before tax	102,137	*152,166
Tax	45,165	33,006
Net loss	147,302	*119,160
Extraordinary debits	†50,661	‡78,300
Dividend		17,835

* Profit. ‡ Credits.
† Provisions against quoted investments £74,137, investments in associates £23,793, surplus on sale of investments £1,362, provision against amount due in respect of former subsidiary not required £20,150 and arising in associates £25,557.

Chas. Wade profit up

Group turnover of **Charles Wade and Co.**, iron and steel stockholder and structural engineers, increased from £4.35m. to £5.84m. in the year to December 28, 1974, and net profit advanced from £231,700 to £309,308.

However, in view of the need to preserve liquidity, and with the uncertainties of the economic situation, the directors are unable to recommend an Ordinary dividend as before. Stated earnings per share rose from 2.7p to 3.6p.

The profit is struck after tax of £124,500 (£1,747). Preference dividends takes £1,225 (£3,062).

Whinsparken loss

Whinsparken Investments—the investment dealing concern floated by Slater Walker in 1972 and which has had its share listing suspended since February, 1974—incurred a further loss in 1974 of £698,200, before tax of £704, compared with an £868,705 deficit in the period September 27, 1972, to December 31, 1973, before a tax credit of £11,362.

This is disclosed in the latest report and accounts of Whinsparken, whose main interests are associated with North Sea oil. The loss per share was 18p (22p) but the report reveals the company has returned to profits.

S.W. sold its investment in the company in September, 1973, and the major shareholder now is Mr. Martin Vickers, a Whinsparken director (and former managing director) who, following recent further purchases, now owns 26 per cent. of the equity.

Losses on the sale of investments totalled £801,112, although a provision for unrealised losses of £505,246 left the net loss at £295,866, compared with £581,237 in the previous period.

The chairman, Mr. J. G. Dean, comments in his statement that the portfolio was substantially invested in special situations which were not readily saleable in the extreme conditions prevailing. "The losses may be attributed to bad timing in appalling market conditions," he says.

The overdraft—£53,644 at the year end, compared with £767,262 previously—has been paid off, says Mr. Dean, and the company now has adequate liquidity for its foreseeable requirements. "The company and its share dealing subsidiary have operated at a profit during the first five months of 1975 and are expected to continue to do so throughout 1975," he adds.

Mr. Dean says it is intended to apply for a re-listing of the shares before the end of 1975. Meeting, July 15, London EC.

Ingersoll-Rand rises to £1.47m.

AFTER interest more than doubled from £653,067 to £1.32m. taxable profit of compressed air equipment manufacturers, **Ingersoll-Rand Co.** expanded from £1.04m to £1.47m. for 1974.

The Board has recommended that all profits for the year be reinvested and that, as last year, no dividend be paid.

Tax takes £798,000 (£534,900) leaving net balance up from £534,900 to £674,102.

The company is a subsidiary of Ingersoll-Rand Co. of the U.S.

Carrimore reduces loss

After all charges including depreciation of £72,865 against £83,758 **Anthony Carrimore** reports a loss of £70,443 for the year to January 31, 1975, compared with a £360,667 loss in the previous corresponding period. Turnover advanced from £1.7m. to £1.85m.

At half-way the reduction in loss was from £80,309 to £40,237.

Again there is no dividend.

The company operates as manufacturers of trailers, car transporters, tipping gear, steel and alloy bodies, commercial vehicles, and road tankers and general engineers.

BIDS AND DEALS

Bacal company sold

David Charles Construction has reached agreement with Mr. G. A. Milnes, receiver and manager of **Bacal Contracting**—part of the Bacal Construction Group now in the hands of a receiver—for the acquisition of **Limeport**, a recently-formed company which on May 14 took over the majority of Bacal's contracts.

Dependent upon the number of contracts assigned to Charles by Limeport clients, Charles will be in a position to offer employment to some 250 Bacal employees and *will acquire additional turnover* in the construction field worth some £8m.

The agreement with Charles is in line with the aim of selling Bacal companies as going concerns in an attempt to recoup investments and pay off outstanding bills.

A statement indicating how much creditors and shareholders will be paid is expected to be issued next month.

Bacal Construction's shares were suspended in March and the Receiver called in last month when it was disclosed that the company had debts of some £18m.

N. BROWN INVESTS. ACQUISITION

N. Brown Investments' mail order subsidiary, J. D. Williams Group, *has acquired the business* (established in 1929), goodwill, trading name, stock and debtors of E. Langfield and Company, a Manchester based private company engaged wholly in exporting consumer goods by mail order, for a consideration, payable in cash during the first four months of 1976, of £93,000.

For 1973, Langfields made a pre-tax profit of £48,000. The business will be carried on as before but from within N. Brown's existing mail order premises.

METAL BOX IN FRANCE

Metal Box, the packaging group, has acquired for an undisclosed sum Valer Flax, France, a manufacturer of plastic tubes whose turnover for 1974 was about Frs.10m. (£1.1m.).

Metal Box has not been involved in the manufacture of this type of packaging in Europe before. The reason for the purchase is to increase the business both in France and in other countries.

YATTON SAYS 'WAIT'

The Board of **Yatton Furniture** said that, together with its financial advisers, N. M. Rothschild and Son, it was considering the offer from **Stag Furniture Holdings** but that in the meantime it advised shareholders to take no action on the bid.

HAMLYN IN U.S.

Hamlyn Publishing Group has, subject to contract, reached agreement in principle for the acquisition of the **A & W Promotional Book Corporation of New York**, which will work closely with Hamlyn for further development and expansion in the U.S.

STAFLEX BUYS

Staflex International announces that its wholly owned subsidiary, Barnes Brothers, has purchased from one of its directors, Mr. K. G. Barnes, 33⅓ per cent. of the capital of **Hyndburn Quality Dyers and Finishers** for 23,810 shares of Staflex and the transfer of 24 per cent. of the capital of Precision Textile Products (a wholly-owned subsidiary of Barnes Brothers).

Net value of the assets acquired are not less than £12,000 and the attributable pre-tax profit for the year ending March 31, 1975 is not less than £3,330.

M. L. DOXFORD PURCHASE

M. L. Doxford and Co., the commodity portfolio management company established last year, has acquired Commodity and General Management — Commodity and General in turn manages the First Viking Trust based in the Isle of Man and investing primarily in commodities. *As a result, Doxford has* become commodity advisers to the First Viking Trust.

G. A. ROBINSON ACQUISITION

Contracts have been exchanged for the acquisition of the 48.75 per cent. of the capital of Hi-Way Brakes and Tyre not already owned by **G. A. Robinson** for £32,500, satisfied by the issue of 130,000 Ordinary shares. Robinson is satisfied that Hi-Way is now trading profitably and that it will contribute materially to group profits. The transaction is conditional upon approval of shareholders at an extraordinary general meeting to be convened shortly.

McCORQUODALE

McCorquodale Incorporated, a subsidiary of McCorquodale and Co. has purchased 147,688 shares of the Falconer Company of Baltimore, U.S., under an offer to purchase all the shares not already owned. McCorquodale now has 306,543 shares (approximately 98 per cent.).

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. & or Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	[illegible]	[illegible]	[illegible]	Bell Canada [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
48	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡R2	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
140	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price £	+ or −
£10	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡£100	£25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£100	£10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£100½	£10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡£10	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£98	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£97¾	£40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£99	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
††£99	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
••	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£100	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£100	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£100½	£10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
††£70	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£100	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£99½	£45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£99	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
••	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£99¼	£65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£1	nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
—	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡£100	£50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −
100	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
55	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
48	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
85p	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£100	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
55	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
A$1.50	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
175	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
52	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25p	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
125	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
40	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kr200	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10p	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
105	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
300p	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
95	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
315p	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
125	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
75	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Late rise on higher car sales

BY OUR WALL STREET CORRESPONDENT

NEW YORK, June 13.

A LATE RALLY got under way on Wall Street to-day, attributed to improved car sales and a record decline in Manufacturing and Trade Inventories in April.

After shedding another 2.59 to 816.72, the Dow Jones Industrial Average rallied to 824.47, for a net gain of 5.16 and reducing its loss on the week to 15.17. The NYSE All Common Index, at $48.20, recouped 25 cents on the day but was still off 99 cents on the week. Gain led losses by 809-to-555, while the volume expanded 330,000 shares to 16.3m.

Early June sales of cars were down 6.4 per cent. from a year ago but up from the May period, and industry officials forecast more gains in the weeks ahead.

The early decline reflected a Press report that banks may lack the ability to provide sufficient capital to meet loan needs of an economic rebound.

The American SE Market Value Index picked up 0.42 to 89.43, reducing its loss on the week to 1.26.

Canada firm

Canadian Stock Markets turned firm in light trading yesterday.

The Industrial Share Index rose 0.36 to 185.28, Base Metals 0.18 to 72.48, Western Oils 2.16 to 184.91, Utilities 0.55 to 130.59 and Banks 0.42 to 259.56. Golds, however, dropped 7.36 to 406.98 and Papers eased 0.13 to 109.12.

OTHER MARKETS

PARIS—Market extended its losses, held down by high unemployment figures, the failures of the IMF Interim Committee to reach an agreement on Foreign Exchange, and the result of a poll showing a steep drop in the Government's popularity.

All sectors were affected, particularly Oils, Foods and Chemicals.

Foreign stocks were weak but with isolated strong points among Oils, such as Royal Dutch and Shell Transport. Golds and Coppers narrowly mixed.

BRUSSELS—Generally lower in quiet pre-week-end trading.

In the Foreign sector, Golds, U.S. issues and Dutch stocks were little changed. Germans and U.K. issues generally fell, French stocks slightly lower.

AMSTERDAM.—Generally eased on lack of interest. Most Banks, Shippings and Insurances led declines.

State Loans firmed.

SWITZERLAND. — Easier in moderate trading in the absence of fresh factors.

Dollar stocks narrowly mixed, Dutch Internationals irregular. Germans showed small changes.

GERMANY—Prices fell in dull trading, with little buying interest and only moderate offerings.

Bond Market trading thin.

OSLO—Bankings and Insurances quiet, Industrials irregular, Shippings steadier.

VIENNA—Irregular.

COPENHAGEN—Higher in moderate dealings.

MILAN—Mainly easier in slack trading. Investors held back ahead of week-end Italian Regional Elections and also next week's Settlement.

HONG KONG—Prices dropped slightly in light trading.

AUSTRALIA—Leading minings and Industrials continued to retreat under sustained selling pressure.

In Mines, Pancontinental fell 25 cents to $A3. Gold mines of Kalgoorlie gained 3 cents to $A1.55.

TOKYO—Slightly easier after opening higher. Volume 190m. (220m.) shares.

Blue Chips and "high-priced" stocks lost ground in sympathy with lower New York advices.

JOHANNESBURG—Golds mixed in moderate turnover: Collieries firmer. Financial Minings little tested. Platinums unchanged to a shade harder. Coppers mixed.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus	Util.	Trading volume† 000's
June					
13	—	†167.53	824.47	†81.90	16,300
12	68.53	167.69	819.31	81.61	15,970
11	—	169.21	824.55	81.51	18,250
10	68.27	168.23	822.12	81.50	21,150
9	68.04	170.07	830.10	83.21	20,650
6	67.91	170.52	839.64	83.22	22,250
5	67.76	168.72	842.16	82.62	21,610
4	67.63	166.32	833.96	83.01	24,900
3	67.79	164.22	846.14	79.37	29,640
2	67.65	169.04	836.41	80.71	26,240
May					
30	67.82	167.65	832.29	79.77	22,170
29	67.71	165.72	[illegible]	78.64	18,470
28	67.85	165.64	817.04	77.45	21,050
27	67.65	166.20	826.11	77.35	17,020
23	67.69	167.34	831.90	77.17	17,370
22	67.90	166.27	818.91	77.33	17,610
1975					
High	62.92 (4/4)	174.12 (6/5)	858.75 (14/5)	85.01 (4/6)	—
Low	66.16 (5/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

June 6	May 30	June 7, 1974
4.59	4.65	4.32

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Jne 13	Jne 12	June 11	J'ne 10	June 9
49.35 (5/6)	37.06 (2/1)	48.20	47.95	48.18	48.12	48.54

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,792	809	555	428

	Jne 13	Jne 12	June 11	J'ne 10	June 9
New Highs	43	44	61	32	109
.. Lows	6	5	7	2	3

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Jne 13	Jne 12	June 11	J'ne 10	June 9
90.71 (6/6)	62.20 (2/1)	89.43	89.01	89.51	89.27	89.90
Volume 000's		2,000	2,054	2,270	2,570	2,740

U.S. STOCK INDICES STANDARD AND POORS

	*Industrials	§Composite
June 13	101.55	90.52
.. 12	101.06	90.08
.. 11	101.63	90.55
.. 10	101.50	90.44
.. 9	102.39	91.21
.. 6	103.87	92.48
.. 5	104.17	92.60
1975 High	104.49 (5/6)	92.59 (5/6)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrial. § 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	June 12 1975	June 4 1975	June 12 1974
Ind. Div. yield per cent.	[illegible]	3.64	3.71
Ind. P/E ratio	11.02	11.23	11.38
Long-term Govt. Bds. per cent.	5.71	5.91	6.30

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Changes on day
Texaco	280,600	26	+[illegible]
Occidental Petroleum	265,000	18½	−[illegible]
Williams	248,600	31¼	−1½
Searle G. D.	215,500	19¾	+[illegible]
General Motors	151,700	45⅞	+⅞
Pittston	141,300	69¼	−2¼
Gulf Oil	120,300	22⅜	−⅛
Howard Johnson	119,900	12⅞	+⅛
Whittaker	110,400	4	+⅛
Xerox	104,900	63½	−1

TORONTO

INDUSTRIAL INDEX

June 13	June 12	1975 High	1975 Low
185.28	184.92	189.63 (14/5)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

June 13	June 12	1975 High	1975 Low
194.18	193.72	197.95 (14/5)	159.85 (2/1)

COMBINED INDEX

June 13	June 12	1975 High	1975 Low
188.31	187.39	191.02 (14/5)	154.02 (2/1)

JOHANNESBURG

	June 13	June 12	High	Low
Industrials	224.8	222.6	224.8 (13/6)	187.0 (23/1)
Golds	315.0	314.2	379.1 (2/1)	285.2 (15/4)

1958=100. Source: Rand Daily Mail. *1974.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	June 12	June 5	May 29
On Dividends	7.11	7.02	7.13
On Earnings	13.67	13.49	13.67

SYDNEY ALL ORD. INDEX

June 13	June 12	High 1975	Low 1975
370.13	374.32	387.27 (2/6)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

June 13	June 12	High 1975	Low 1975
327.08	327.63	332.96 (22/5)	268.24 (10/1)

HONG KONG INDEX •

June 13	June 12	High 1975	Low 1975
333.97	335.41	341.57 (3/6)	160.44 (9/1)

SINGAPORE INDEX §

June 13	June 12	High 1975	Low 1975
234.08	233.92	268.69 (11/3)	153.26 (6/1)

EUROPE

	June 13	Previous	1975 High	1975 Low
Belg'm (a)	110.11	110.32	111.21 (15/5)	89.01 (2/1)
Denm'k (b)	92.20	92.71	92.80 (13/6)	75.00 (1/1)
France (c)	64.7	66.1	[illegible] (23/4)	51.70 (2/1)
Germ'y (e)	655.0	661.0	726.1 (15/4)	575.3 (2/1)
Holland (f)	101.1	100.7	107.6 (6/5)	83.6 (2/1)
Italy (g)	97.06	97.43	106.66 (21/2)	85.35 (2/1)
Spain (h)	98.61	100.19	110.36	86.38 (8/1)
Sweden (k)	363.31	363.65	376.65 (15/5)	315.5 (3/1)
Switz'rl'd (m)	268.7	270.4	285.1 (6/5)	226.5 (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63 (b) Copenhagen S.E. 1/1/73 (d) Paris Bourse 1961 (e) Commerzbank December, 1953 (f) Amsterdam Industrial 1970 (g) Milan General 2/1/73. (h) Madrid S.E. 31/12/74 (k) Stockholm Industrial 1/1/58 (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. • Hang Seng Bank 31/7/64 § Straits Times 1966 (c) Closed * Adjusted

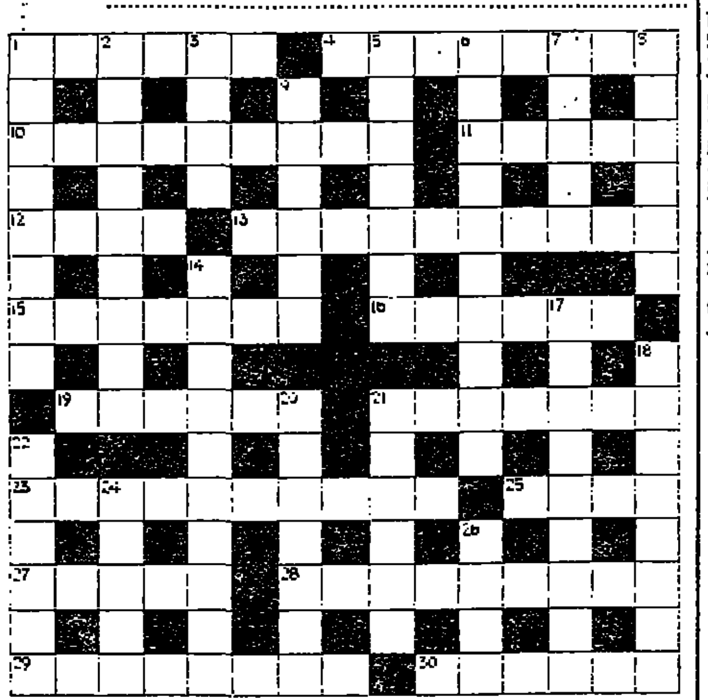
F.T. CROSSWORD PUZZLE No. 2,803

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



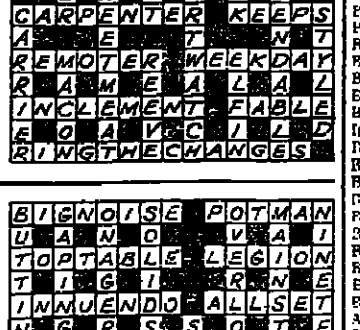
ACROSS

1, 4 Another tack needed to reach Ring o' Bells naturally (6, 2, 6)
10 Sweet product of farmer's cube root (4, 5)
11 Church official reading articles in Spanish and German (5)
12 Labour as it appears to one on left (4)
13 Serviceman in cathedral is not a big shot (5, 5)
15 Frenchman is reckoned to be in wrong part (7)
16 Send abroad for what used to be left at sea (6)
19 Tentative approach by a sensitive person (6)
21 Understand how to turn into money (7)
23 Sport suitable for undercover agent (6, 4)
25 Black market dealer backing important people (4)
27 First Post Office taken round border (5)
28 Refuge from catty vendetta in Cornwall (9)
29 Straightening out the Tories in Gateshead (8)
30 Paid player to appropriate benefit (6)

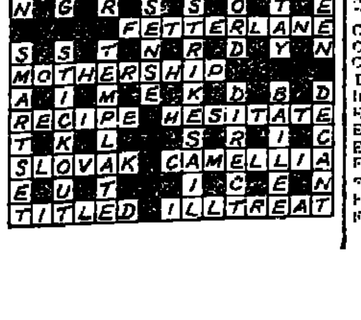
DOWN

1 Say pub's closing when barrister passes out (4, 4)
2 Forces children to have equipment from quarter-master (4, 5)
3 Start to keep quiet by golly (4)
5 Held back in favour of drill (7)
6 Undivided bit of theatre adaptable to any place (5, 3, 4)
7 Sculptor made to stick at home (5)
8 Mistake worker for knight (6)
9 No. 1 thinker (6)
14 Poor prospects for inefficient watchman (3, 4-3)
17 Mac puts artist at home on test (9)
18 It's never some different subordinate (8)
20 Government puts Pole on diet (7)
21 Report of a peculiar three-quarters of an hour (6)
22 Bird having a swim (6)
24 Daughter ought to get in key when performing (5)
26 King of Limerick (4)

SOLUTION TO PUZZLE No. 2,802



SOLUTION AND WINNERS OF PUZZLE No. 2,797



Following are the winners of last Saturday's prize puzzle:

Mrs. A. Gooderham, 21, St. Martins Road, Knowle, Bristol, BS4 2NQ.

Mrs. M. Tomkinson, 5, Peterbrook Rise, Shirley, Solihull, West Midlands.

Mr. K. D. Wadsworth, 11, Rathmore Avenue, Liverpool L18 4QB.

RACING — BY DOMINIC WIGAN

Unlucky Hide misses chance on Avahra

TWELVE MONTHS ago Edward Hide had an easy winning ride on Scottish trained Roman Warrior in York's William Hill Gold Trophy (2.30), and he might well have repeated the performance to-day on another much improved sprinter, Pat Rohan's *Avahra*. Hide, however, broke a knee in a first race fall at York yesterday.

Whoever replaces him on Avahra should have a winning ride.

The brown Sahib filly, gave trouble at the stalls several times last term, but gamely won Doncaster's Batthyany Handicap on the opening day of the season.

She was first passed the post again when sent to another Yorkshire track, Thirsk, for the William Hill Trophy on April 19. A stewards' inquiry relegated Avahra (without doubt the winner on merit to last place) for badly hampering Lazenby inside the final furlong.

On her only appearance since that luckless Thirsk run, Avahra narrowly failed again to land a valuable prize when going down by the minimum distance to the improving Doubt Me Not, to whom she was trying to concede over a stone in the Sinnington Handicap at the last meeting here.

Avahra, who may still be on the upgrade, is taken to win mainly at the expense of that smart Newmarket representative, Court Chad, a head runner-up to Penny Post in Newmarket's Great Eastern Handicap on his last outing.

Half an hour before the William Hill Gold Trophy—the feature event on this fine Cancer Relief charity day programme—I shall not look further than to the once raced *Hot Symphony* for the Cavo Doro Plate (2.0).

Duncan Sasse's two-year-old Hotfoot colt fetched 3,400 gns. as a foal and then realised 10,500 gns. when sent up as a yearling. He did well to finish a creditable third behind Fastpad and Night Club in the Metropole Challenge Cup at Folkestone early this month. The winner has since franked that form by completing a double earlier in the week, and it will come as a surprise if *Hot Symphony* finds another of his calibre in opposition here.

By far the most valuable event to-day, apart from the bookmaker-sponsored sprint, is Sandown's Trafalgar House Handicap (2.45), sponsored—as with the remainder of the races on the Esher course—by Trafalgar House Investments.

Here, it could pay backers to row in with *Peranka*, who found little difficulty in conceding 5 lb to Solo Violin in a 15-runner event at Wolverhampton six weeks ago and again comfortably dealt with her rivals when landing the Esher Place Handicap over this five furlongs course and distance on May 27.

Peranka, the mount of Willie Carson—who has by no means given up his bid to regain the jockey's championship he last *held in 1973*—can make it a hat trick by outpacing Le Vingt-Huit, a 1½ lengths winner from Silver God at Epsom on Coronation Cup day.

Lester Piggott, seen at his best here yesterday when keeping a bit up his sleeve on Captain's Table, seems poised to win the final two events through *Derringo* and *Marchant*. The former, a total disappointment in the Woodcote Stakes, is suggested with confidence.

YORK
2.00—Hot Symphony*
2.30—Avahra**
3.30—Western Goddess
4.00—Tiger Trail
4.30—Shaba

SANDOWN
1.45—Dun Habit
2.15—Marennes Blue
2.45—Peranka
3.20—Destino
3.55—Derringo***
4.30—Marchant

BATH
1.45—Radiant Light
2.15—Precious McKenzie
2.45—Boundless
3.45—Tom Pearse

LEICESTER
7.00—Missanda
8.20—Attalas

SPAIN ♥

June 13	Per cent.	
Asland	306	−4
Banca Lopez Quesada	738	−2
Banco Bilbao	933	−10
Banco Atlantico (1,000)	724	—
Banco Central	980	—
Banesto (250)	623	−10
Banco Exterior	564	−7
Banco General	1,044	−15
Banco Granada (1,000)	435	—
Banco Hispano	610	−10
Banco Iberico	690	−10
Induban	460	−7
Banco Ind. Cat. (1,000)	415	—
Banco Mercantil (1,000)	1,055	—
Banco Noroeste	296	—
Banco Occidental	683	—
Banco Popular	690	−10
Banco Santander (250)	1,000	−10
Banco Urquijo (1,000)	750	−6
Banco Vizcaya	738	−5
BancoZaragozano	929	−6
Bankunion	370	−2
Altos Hornos	255	−6
Babcock Wilcox	136	—
Cepsa	325	−2
CIC	475	−8
Cresineo	187.06	−0.16
Dragados	664	—
Inmoban	172	—
Energias Ara	143	−1.50
Espanola Zinc	278	−4
Expl. Rio Tinto	339.25	−2.75
Fecsa (1,000)	127	—
Fenosa (1,000)	121	—
Financiero SA	440	—
Financiero Servicios	452	—
Gal. Preciados	423	−3
Hidrola	146.25	+0.75
Iberduero	217	−3
Motor Iberica	225	−5
Olarra	752	−8
Petroliber	318	—
Sarrio Papalera	340	—
Seat (1,000)	276	—
Sevillana Elec.	135	+1.75
Sniace	135	—
Telefonica	253	−3
Tubacex	315	−6
Union Elec.	126.50	—
Union y Fenix	595	−5
Urbis	231	+1

NOTES: Overseas prices exclude $ premium. Belgian dividends are shown after withholding tax.

◆ DM50 denom. unless otherwise stated. ♣ Kr 100 denom. unless otherwise stated. ♥ Ptas 500 denom. unless otherwise stated. ♠ Frs 500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. Cents. d Div. after pending rights and/or scrip issue. e Per share. Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. ‡ Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. △ Interim since increased.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—91½% (95¼%).

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY ◆

[illegible]

MILAN

[illegible]

SWITZERLAND ◆

[illegible]

PARIS

[illegible]

STOCKHOLM

[illegible]

COPENHAGEN ♣

[illegible]

OSLO ♣

[illegible]

AUSTRALIA

[illegible]

AMSTERDAM

[illegible]

VIENNA

[illegible]

TOKYO ¶

[illegible]

Source Nikko Securities Tokyo

BRUSSELS

[illegible]

JOHANNESBURG

[illegible]

U.K. trade figures helped by bigger sales to oil States

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

U.K. SHIPMENTS to the oil producing countries have become the main source of buoyancy in our exports at a time when the *world recession has led to* reduced exports in most overseas markets.

This is shown by the detailed trade accounts from the Department of Trade yesterday, which *indicate that the value of exports* to the OPEC area jumped 34 per cent. between the periods *December-February and March-May.*

This means that exports to OPEC *markets are running at* double the rate of a year ago, after a long period of serious concern about whether *Britain* was taking full advantage of the opportunities in the world's fastest expanding market.

Another feature of the trade statistics is that, in other markets, the decline in U.K. exports has not been as great as might have been expected from the degree of the world recession.

Shipments to non-OPEC developing countries went up by 3 per cent. in value between the *same three monthly periods.*

Exports to developed countries showed a distinctly different pattern, with the value of shipments to N. America down 6 per cent. but exports to the EEC up 5 per cent.

In volume terms, U.K. exports in total fell by 1 per cent. between December-February and March-May.

Behind this global figure lay a rise of 2½ per cent. in exports of machinery and transport equipment, and 7½ per cent. in shipments of road motor vehicles alone.

Chemical exports, on the other *hand,* declined 10 per cent. in volume, and metal manufacture exports by 3½ per cent.

The recession in this country has had a marked effect on most categories of imports. Deliveries of industrial materials were down 8½ per cent. between December-February and March-May (in volume) and imports of finished manufactures fell 8½ per cent.

Perhaps the most dramatic effect of the recession and oil price increase has been on imports of oil.

Fuel imports in total were down 19 per cent. in the latest three monthly period, and at 18.8m. tons, imports of crude oil were 21 per cent. lower. The average value per ton was £33.7, against £34.3 in the previous three months.

The somewhat artificial division between imports of "petroleum and petroleum products" and "other goods" shows a deficit of £645m. for the former category but a surplus of £221m. for the latter.

Imports from other EEC countries fell in the latest three monthly period, but—at 5 per per cent.—by considerably less than the 10 per cent. reduction in our imports from the rest of *Europe and N. America.*

Tourist rush against £ continues

By Arthur Sandles

THE TOURIST rush against the pound continued yesterday as the markets began to move towards what could be a bad week-end for some British *holidaymakers.* In banks and bureaux de change yesterday the call for sterling travellers *cheques fell sharply,* with customers prefering foreign notes or cheques in other currencies.

With rumours flying, Barclays Bank, a major supplier of sterling cheques, issued a statement saying that it was untrue that banks in Spain and Italy were refusing to honour sterling *cheques.* Suggestions that people should take only local currency travel cheques with them or currency were "a little precipitate."

The bank particularly warned against taking cheques which did not have the usual guarantees of replacements if cheques are lost or stolen.

Many holidaymakers seemed, however, to be ignoring this advice and choosing anything but pounds. Thomas Cook and American Express have had rushes for their foreign currency notes recently. These *cheques* do have replacement guarantees.

The side-effect of taking, say, dollars to Spain is that the traveller has to pay commission and trade margins twice, if he changes pounds into dollars and then dollars into pesetas. Some travellers consider this is a price worth paying for peace of mind.

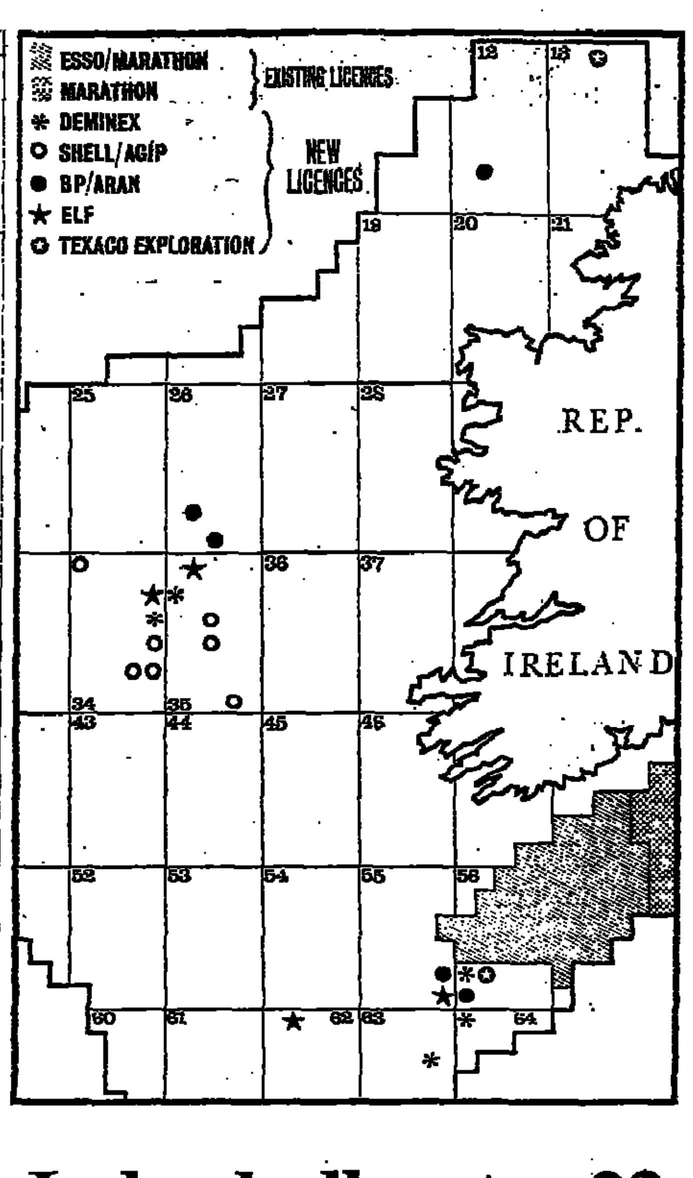
The problem of the present situation is that banks tend to offer extremely wide margins on their transactions to avoid losses. Thus, foreign money is bought expensively and has to be sold cheap.

This is particularly the case at week-ends and public holidays and most noticeable in hotels and shops. For example, the pound closed at 1,426 against the lira last night, but in Rome the Hilton and Hassler hotels dropped the rate they would give to tourists to 1,400.

The currency crisis has added *further fuel* to the surcharges row on package tours. At least one major company, Cosmos, collects surcharges right up to the point of departure.

James McDonald, Our Shipping Correpondent, writes: Holidaymakers aiming for the Continent and threatened by a British Rail strike in nine days have now been *told* that motorists' fares and car rates on all British Rail "Sealink" and Townsend Thoresen ferries—the two major operators from Britain—are to go up from June 27.

Rates on accompanied vehicles will be raised by £1 and ordinary adult motorists' fares by 50p for single journeys. The new prices *apply to bookings made on and* after June 20.



Ireland allocates 23 offshore oil blocks

BY DOMINICK J. COYLE — DUBLIN, June 13.

THE IRISH Government announced allocation of exclusive petroleum licences tonight for 23 blocks in its offshore area. They go to five consortia containing British, French, West German, Italian, Dutch, Austrian, Norwegian and U.S. interests. All five groups have an Irish involvement or will have when final details are concluded.

The Irish Government has the right to 50 per cent. participation in exploiting any discovery.

Apart from an original exploration agreement in the late 1950s, now held by the American Marathon Petroleum Co., *tonight's allocation is the Government's* first licensing round for offshore. Mr. Justin Keating, Minister for Industry and Commerce, has had assurances that "substantial drilling operations" will begin before the end of next year.

The companies concerned are the West German Deminex *group, with participation by* Trans-International Oil and *Ivernia Exploration.* The French State ELF group, with participation by NET, the Irish fertiliser company, and an Irish private sector group Ergas, the British Petroleum/Aran group, involving Silvermines, and with participation by the U.S. Shenandoah company and Saga Petroleum, the Norwegian *consortium.*

Shell/AGIP, with an Irish partner to be approved by the *Minister and* **Texaco Exploration Ireland.**

The Deminex group, in which *the Dutch State Mines and* Austrian minerals have a part of the equity, has offered as part of its licence application to provide an unspecified on-shore industrial project and a "substantial figure" covering scholarships in petroleum disciplines. A similar scholarship programme will be underwritten by *Elf* and by *Shell/AGIP; BP/* Aran is pledged to a second industrial project. Texaco will pay *a special signature* bonus to the Government of $500,000.

CHINA

Cleaning up Peking

BY A SPECIAL CORRESPONDENT

EVEN IN highly automated societies one nagging question always remains: who is going to *do the dirty work—who is going* to collect the garbage, sweep up the litter, clean out the pigstys, or handle the nightsoil in unsewered areas? In very poor societies this is not much of a problem. The jobs are handed over to untouchables, or to people whose earning capacity is so low that they do not care what they do as long as they can eat enough to stay alive.

In countries where even workers on a low wage can afford to be choosy, all sort of ideas are pushed around—one of the *most persistent being that people* who do the dirtiest (and in Western eyes the most degrading) jobs should be in the upper income bracket. Why not pay a dustman the same wage as a university lecturer? China is not an affluent country, but neither is it a very poor one. The problem of who does the dirty work looms larger than it would in, say, India.

Perfectability

It is true that China has direction of labour, so that the State *can tell a man that, like it or not,* he is going to be a nightsoil collector. But that does not mean that he is going to like what he is doing or be a good and conscientious nightsoil collector. The Chinese are well aware of the problem, and in the never-ceasing Maoist pursuit of the perfectability of man a campaign *is going on at the moment to* motivate people into believing that the lowest, the dirtiest, and the most humble jobs are to be actively sought after and enjoyed. The idea being hammered in ceaselessly is that a life spent *emptying privies can be noble,* selfless and uplifting.

Chairman Mao himself has said that the peasant may stink because he has dung on his hands, but the intellectual stinks in his mind. During the current *campaign it is even being suggested* that people with special skills may justifiably give them up to do menial jobs, an idea which would be received with some surprise in other countries. In China, where skilled workers in all fields could be presumed to be the state's most urgent need it is open to question whether years of training should be thrown away for the sake of ideology. Nevertheless those who do turn from skilled to unskilled jobs are held up as models in the present drive to purge China of *bourgeois ideas of comfort and* personal advancement.

Recently a Chinese recommended to me as "a very moving story" an account published in the People's Daily of a married couple. The husband, a teacher, and the wife, a trained medical worker, abandoned these professions to become streetcleaners *in a town in Kwangsi province.* In China that includes the collection of human manure not one ounce of which is ever wasted. Even in Peking the dung carts going along the city street are one of the main sights and smells of China.

Huang Yu-jung, the former teacher, and his wife, Wang Tao-chen, found themselves respectively pulling dung carts and cleaning out lavatories and pigsties. The wife's thoughts are not recorded, but Huang was tormented by the thought of himself as a cadre in the Education *Department, comfortable,* well-paid, and clean. All stories of this kind have much the same plot. Huang and Wang proceed through self-criticism and study of Maoist works to a glad acceptance of their position, helped by *an old worker who tells them* how millions died of cholera in the old days before liberation. The story does have a happy ending: after 10 years as cleaners Huang and Wang return to Peking as delegates to the Fourth *National People's Congress* as representatives of their city's environmental hygiene section.

The story is rather unusual as it does offer a big reward for virtue. Normally those asked to do lowly jobs are warned that their only satisfaction will be from serving the people. Obviously the job of persuading educated people to do low-grade work is not always easy.

Sweeping

Most of the people who sweep up litter in Chinese cities still are old women with birch brooms as they always have been. *Attempts are now being made,* however, to persuade even secondary school graduates eligible to go on to tertiary education to make a career of sweeping the streets. Recent reports from Shanghai, where such a *drive was carried out admit that* the young graduates were at first strikingly reluctant. It was only after a study of the works of Marx, Engels, Lenin, Stalin, and Mao Tse-tung that they were able to remould their outlook sufficiently to take pride in being sweepers.

Even young people whose work is relatively light and pleasant are encouraged to get their hands dirty at frequent intervals. The People's Daily recently pub*lished pictures of 21 girl barbers* — a job rather prized in China — who go out from Peking to the countryside on their days off to spend their free time labouring with the poor and lower-middle peasants. These teach*by-example stories are becoming* increasingly insistent lately indicating that the Maoist dream of remaking man's nature still is dominant in China — and that its realisation is as far away as ever.

Sydney Morning Herald

Currency 'basket' formula for raw materials prices

BY JOHN EDWARDS

PRICES OF internationally traded raw materials could well be based on a new formula of using a "basket" of currencies, *Mr. Peter Thompson,* chairman of the Guyana Bauxite Company, claimed in London yesterday.

He outlined a scheme devised for pricing future supplies of calcined bauxite, now being presented to their customers, which is based on a composite of four currencies — the U.S. dollar, sterling, Deutschemark and the Swiss franc.

The idea is to base future contracts, probably starting with 1976 supplies, on a composite unit price, calculated at the reference date on the value of the U.S. dollar against the three other currencies chosen; the value of the contract would then *be expressed in "C units."*

The actual price paid by the buyer at the time of delivery would be calculated on his normal currency payment expressed in "C units," varied *by the changes in exchange rates* between the time of ordering and the date of payment.

Mr. Thompson said the aim was to reduce the impact of fluctuations in international exchange rates on calcined bauxite prices by using several currencies —a sort of mini-Special Drawing Rights system. Customers would *pay in only three currencies*—the U.S. dollar, sterling and Deutschmark — and the Swiss Franc would be used as a "stabilising factor."

He said the scheme had received an encouraging response from customers in the U.S., Europe and Britain. It might well set the trend for the pricing *of other raw materials sold by* developing countries.

Haulage chief fined £2,500

MR. RALPH HILTON, a founder of Ralph Hilton Transport *Services, which ran into financial* trouble two years ago, was acquitted at the Old Bailey last night of plotting to falsify documents so as to mislead investors over its profits for 1971.

He was fined £2,500 after pleading guilty to a lesser charge of being involved with two asso*ciates in the company in plotting* to falsify a £7,953 invoice so as to cover up fictitious records which they had created several months previously without his knowledge.

Judge Adbela, who said it was a tragic case for Mr. Hilton, ordered him to pay £2,500 towards a Department of Trade inquiry.

Government amendments for insurance Bill

BY STEWART FLEMING

A SERIES of mainly technical amendments have been tabled by the Government to the Policyholders Protection Bill, the Report Stage of which is due to be heard in the Lords on Monday.

The Bill designed to protect the policyholders of failed insurance companies from severe *losses, has been the subject of a* bitter dispute between the Government and most of the insurance industry, which has raised fundamental objections to several of the proposals.

The Government reluctantly agreed last month to drop one of the Bill's most controversial clauses, which gave the proposed *Policyholders Protection Board* power to rescue insurance companies in difficulty, but before they had passed into liquidation.

Government sources suggested that an amended version of the clause would be re-introduced subsequently.

ICELANDIC ACCORD

An agreement has been reached in the Icelandic labour dispute, giving workers an average of 16 per cent. direct raises in wages plus a small raise, which will be tied to the price index clause, at an unspecified time in the future. The increases in wages are a bit more for the lower paid workers and a bit less for the higher salaried people.

COMMODITIES/Review of the week

Steady fall in sugar market

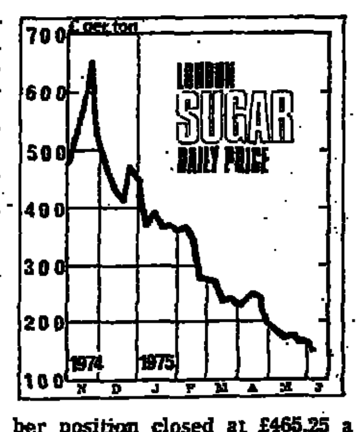
BY OUR COMMODITIES STAFF

AFTER AN *initial rise on Monday* sugar prices declined steadily for the rest of the week. The London daily price ended £16 lower on balance at £146 a tonne, while the October position on the London terminal market finished at £135.375 a tonne, down £16.75 on the week.

The decline was started by confirmation from Japan that sugar refiners and importers were seeking to defer delivery *of 100,000 tonnes of contracted* sugar, because of heavy stocks. The move does not affect shipments under the long-term deal with Australia. Later in the week the price fall was fuelled by reports that Egypt had been offered no less than 500,000 tonnes of white sugar for various delivery dates at a tender seeking only 33,000 tonnes. It has since been reported that Egypt will hold another tender, once again for 33,000 tonnes of whites, on July 2.

Another "bearish" factor was a report from Buenos Aires that *Argentina would have 350,000* tonnes of sugar available for shipment this year.

Coffee prices eased on the London terminal market yesterday in response to a report from the Mexican Coffee Institute that it had resumed normal exports after a five month cutback of up to 50 per cent. The September position closed at £465.25 a tonne, down £2 on the day, but up £8.5 on the week.



Futures values began the week *on a firm note following low* temperatures in Brazil at the week-end which raised the possibility of frost damage to next year's crop. Most London dealers felt it was still too early for such a scare to be taken *seriously* but the market was carried up by a rise in the New York market which has a larger *non-trade* element. However, temperatures improved in Brazil early in the week and most of Monday's price rise was wiped out on Tuesday.

Cocoa prices were hit on Monday by reports of further *Ghanaian selling and pessimistic* demand predictions. The September position ended the week at £448.75 a tonne, down £13.

The Australian Wool Corporation announced yesterday that it would consider raising its reserve price above the wool floor price level if market conditions improved. The floor price was *recently fixed at 250 Australian* cents for 1976 (the same as in 1975) despite a Cabinet recommendation that it should be reduced to 200 cents.

Weak wool demand has prompted the AWC to scrap its plan to offer 10,000 bales from its stockpile at next week's auctions.

Prices moved narrowly on the London Metal Exchange, with the fluctuations in the value of sterling providing the main influence.

Copper prices held steady, despite the biggest-ever weekly *increase in warehouse stocks of* 17,000 tonnes taking the total to a peak of 266.975 tonnes and forecasts of another sizeable rise to be announced on Monday. Trade demand for copper remains at a low ebb, but speculative buying *interest is stimulated* at the lower levels encouraged by the weakness of sterling.

Sustained producer support kept zinc prices up, with the three months' quotation gaining ground.

WEEKLY PRICE CHANGES

[illegible]

MARKET REPORTS

BASE METALS

COPPER—Marginally lower in quiet trading on the London Metal Exchange. Forecasts of a further increase in the already record warehouse stocks figure and hedge selling pushed forward metal down to £528 at one time but a subsequent rally to £531 was prompted by book *squaring.* The price ended at £550 on the afternoon Kerb despite the rally in [illegible]

[illegible]

... addition, business was concluded Gulf to Japan at $10 f.i.o. in June at $9.75 July and at $5.55 July/August although these three fixtures were arranged with differing speeds of loading/unloading. *Coal shippers covered a cargo Hampton Roads Ghent at $5.35 June/July while* phosphate was arranged Tampa Constanza at $8.50 f.i.o. with similar loading. A 3,400 ton of scrap U.S. northern range North Spain paid a lump sum of $92,000 f.i.o. June. Timecharterers booked a vessel of nearly 26,000 long d.w.t. for a voyage U.S. Gulf Mid. East *Gulf at $3,500 daily, an da vessel of* just under 18,000 long d.w.t. was secured [illegible]

... seller sales): June 65.10-65.30, 65.50-65.00, 10; Aug. 67.50-67.70, 67.60-67.5, 17; Oct. 66.70-66.90, 66.80, three; Dec. 67.20-67.60, 6.10, three; Feb. 67.70-67.90 nil; April 68.00-68.30, nil; June 68.10-65.30, 68.10, one. Sales 34.

RUBBER

EASIER opening on the London physical market. Fair interest throughout day, closing dull. Lewis and Peat reported a godown price of 122 Malaysian cents a kilo (buyer July).

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

JUTE

[illegible]

COCOA

[illegible]

WOOL FUTURES

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

SILVER

[illegible]

FREIGHTS

[illegible]

Maize—No. 3 Yellow American/French June £54, July £54.50, Aug. £58.00 transhipment East Coast nominals. South African White Dent Aug. £59.00 Glasgow. South African Yellow Flint Aug. £56.50 *Glasgow.* **Barley**—EEC Feed June and July £51.00, Aug. £54.00 East Coast. Rest unquoted.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: Sept. £57.45 Nov. £59.90, Jan. £62.15, March £62.95, May £65.25. Business: Sept. £57.45-£57.20, Nov. £60.10-£59.80, Jan. £62.20-£62.05 March £63.95-£63.55, May £65.45-£65.20. **Barley,** barely steady. Close: Sept. £54.65 Nov. £56.90, Jan. £59.00, March £60.45. [illegible]

MEAT/VEGETABLES

[illegible]

FINANCIAL TIMES

[illegible]

REUTER'S

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

Speculative selling puts cocoa down

NEW YORK June 12.

SILVER sold off late in the session on Commission House selling. Copper rallied despite *expectations of another* record rise in LME warehouse stocks. Continued speculative selling depressed cocoa values. Sugar closed sharply lower as trade selling touched off Commission House stops. Commercial buying which activated Commission House buy-stops closed Chicago grains higher across the board. Bache reports:

Cocoa—Ghana spot 62½ (63). Bahia spot 51½ (53). July 45.05 (46.00), Sept. 42.05 (42.75). Dec. 41.50, March 41.90, May 42.45 July 42.85. Sept. Nil.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: July 59.50-59.40 (58.50). Sept. 59.90-59.95 (58.85). Nov. 60.51 nom., Dec. 60.05. March 61.10-61.50. May 61.80-61.70. Sales: 415.

Copper—June 51.50 (51.30), July 51.90 (51.69). August 52.40. Sept. 52.90. Dec. 54.40. Jan. 54.90. March 55.90. May 56.90. July 57.90. Sales: 1,25?.

Cotton—July 44.42 (41.71). Oct. 45.99 (46.09). Dec. 46.60-46.62. March 47.50-47.55 May 48.05-48.15 asked. July 48.65 bid Oct. 49.05 bid. Sales 506.

Gold—June 164.20 (164.70), July 164.90 (165.50). August 165.90. Oct. 165.10. Dec. 170.40. Feb. 172.70. April 174.90. June 177.20 August 179.40. Oct. 181.60.

Greasewool—Spot 134.0 nom. (same). July 132.5-137.0 asked (132.5). Oct. 136.0 [illegible]

[illegible]

COMPANY NEWS

Hawtin turns in £4.83m. loss

A pre-tax loss of £4.83m. in the 14 months to January 31, 1975—compared with a £1.5m. deficit in the previous 10-month period—was reported yesterday by Hawtin, the financial concern which has just completed the sale, announced in December, of its secondary banking activities to Gulf and Western Industries, of the U.S.

The directors say they cannot recommend payment of the Preference dividend due on June 30. Last November, the company could not meet the £12,500 cost of its Preference payment due on December 31, 1974.

Of the latest deficit, £4.39m. relates to subsidiaries sold subsequent to the year end, including the secondary banking activities. After tax of £158,494 (credit £569,050) and debiting extraordinary items of £498,866 (£411,168) the loss for the period was £5.49m. against a previous £1.39m. which included minority interests of £185 and preacquisition profits of £31,387. Net current assets at the year end were £388,737 (liabilities £11.57m.).

Gulf and Western became associated with Hawtin in September, 1973, when its subsidiary—Associated First Capital Corporation—put up £10m. of convertible loan stock. This was later raised to £15m., giving AFCC a potential 62.6 per cent. holding of Hawtin's enlarged equity. Then, in August, 1974, a group of American banks arranged a £21.5m. ($50m.) loan for Hawtin.

Completion of the sale of the subsidiary—Hawtin and Partners—leaves Hawtin with a number of industrial interests which formed the basis of its activity before it diversified into the banking business.

Berkeley Hambro downturn

THE RENT freeze, higher interest charges, and the £600,000 cost of writing down unrealised housing land stocks held in associates, have caused taxable profits of Berkeley Hambro Property to fall from £2.6m. to £1.34m. in 1974.

Earnings are shown to be down from 8.7p to 4.1p per 25p share, but, having regard to "substantial increases in income" contracted for in the current year, the directors recommend a final dividend of 1.61p making the maximum permitted 3.22p (2.9768p) for the year.

Assets have been revalued as at December 31, 1974, resulting in a net asset value of 292p per share.

	1974 £000	1973 £000
Group revenue	5,465	5,577
Property outgoing, etc.*	4,556	3,454
Add develop. int.†	1,120	436
Share associates loss	650	541
Profit before tax	1,339	2,480
Taxation	673	1,037
Minority loss	48	297
	704	1,466
Extraord. loss	358	‡1,202
From capital reserve	388	§1,302
Attributable	704	1,466
To capital reserve††	628	375
Dividends	562	522
From revenue reserve	486	§1.89

* Including management expenses and interest payable. † Attributable to investment properties in course of development. ‡ Profit. § To reserve. †† Depreciation on North American freehold.

Option Report—3-month Call rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Jun. 10	Jun. 23	Sept. 4	Sept. 16
Jun. 24	July 7	Sept. 18	Sept. 30
July 8	July 21	Oct. 8	Oct. 14

"Calls" were dealt in Charterhall Finance, Cavenham warrants, Babcock and Wilcox, Town and City, Lonrho, and Neepsend. A "put" was done in Town and Commercial, while a "double" was arranged in Babcock and Wilcox.

Industrials							
		Grand Met.	9	Slater Walker	15		
		G.U.S. 'A'	20	Spillers	7	Mines	
A. P. Cement	20	Guardian	20	Tesco	6	Anglo Amer.	50
Assoc. Leisure	3	G.K.N.	28	Thorn 'A'	20	Broken Hill Pty.	75
Barclays Bank	35	Hawker Sidd.	30	Tube Invest.	30	Charter Cons.	22
Beecham	28	House of Fraser	10	Unilever	40	Chart'rh'll Fin.	8
Boots Drug	24	Hudson (Wilms	5	Utd. Drapery	18	Cons Gold	25
Bowaters	20	I.C.I.	24	Vickers	16	De Beers Def.	25
B.A.T.	35	"Imps"	7	Woolworths	6	F. S. Geduld	350
British Leyland	1¼	I.C.L.	7			Great Boulder	12
British Oxygen	6	Inveresk	10	Property		Hampton Areas	15
Burton 'A'	9	Legal & General	17	Cap. Counties	7	Hampton Prop.	4
Cadburys	6	Lloyds Bank	30	E.P.	11	Kloof	140
Courtaulds	14	"Lofs"	7	Int. Europe	7	Lonrho	19
Debenhams	11	"Mams"	9	Land Securities	22	Loraine	55
Distillers	15	Marks & Sp'ncer	25	Peachey	7	Metals Explor.	8
Dunlop	6	Midland Bank	32	Town & City	6	Poseidon	55
Eagle Star	16	Nat'l West Bank	30	Town & Comm.	7	Pres. Steyn	275
E.M.I.	20	P & O Dfd.	16			Rio T. Zinc	40
First National	5	Plessey	10	Oils		Welkom	55
G.R.A. Trust	7	R.H.M.	7	Brit. Petroleum	45	West Areas	75
Gen. Accident	15	Rank Org. 'A'	25	Burmah Oil	6	Western M'ng.	15
Gen. Electric	14	Reed Int'l	28	Shell	30	Zambia Copp.	10
Glaxo	40			Ultramar	21		

This week's SE dealings

Friday, June 13	6,334	Wednesday, June 11	6,729	Monday, June 9	8,248
Thursday, June 12	6,707	Tuesday, June 10	6,833	Friday, June 6	7,553

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. Φ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (616)

[illegible]

SHORT DATED BONDS FREE OF STAMP DUTY

[illegible]

CORPN. & COUNTY—U.K. (34)

[illegible]

PUBLIC BDS., ETC.—U.K. (53)

[illegible]

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (13)

[illegible]

FOREIGN STKS., BDS., ETC. (4)

[illegible]

CORPN. STKS.—FOREIGN (—)

[illegible]

U.K. AND COMMONWEALTH RAILWAYS (4)

[illegible]

BANKS & DISCOUNT COS. (384)

[illegible]

BREWERIES & DISTILLS. (179)

[illegible]

CANALS & DOCKS (3)

[illegible]

COMMERCIAL, INDUST. (2,491)

A—B

[illegible]

C—D

[illegible]

E—F

[illegible]

G—H

[illegible]

I—J—K

[illegible]

L—M

[illegible]

Lebus (Harris) (25p) 37Φ
Lec Refrigeration (25p) 49Φ 8
Leigh Mills (25p) 8¼Φ
Leisure Caravan Parks (10p) 68Φ
Lennons Group (10p) 43Φ
Lesney Prods. (5p) 19Φ
Letraset International (10p) 33Φ 5Φ
Lewis Burrows 6pcPf. 36Φ
Lewis (John) Partnership 5pcPf. 34½Φ ½Φ (12/6). 7½pcPf. 45
Lewis's Invest. Tst. 6½pc2ndDb. 50Φ ½Φ
Lex Service Group (25p) 12¾Φ 13Φ ½Φ ¾Φ 13. 8½pcUnsec.Ln. 37½ 8
Leyland Paint Wallpaper (25p) 31½Φ 2

SPECIAL LIST

JUNE 13 (3)
JUNE 12 (Nil)
JUNE 11 (Nil)
JUNE 10 (4)
JUNE 9 (2)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

(By permission of the Stock Exchange Council)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	52	—	2
Corpns. Dom. and Foreign Bonds	15	3	53
Industrials	308	292	1,060
Financial and Prop.	195	88	331
Oils	8	8	16
Plantation	1	7	43
Mines	11	58	82
Recent Issues	19	14	79
Totals	609	470	1,603

Highs and Lows Page 23

GOLD MARKET

	June 13 1975	June 12 1975
Gold bullion (a fine ounce)		
Close	$163¾-164¾	$165½-166½
Opening	$164¾-165¾	$164½-165½
Morning fix'g	$164.75 (£71.142)	$166.40 (£72.700)
Afternoon fix'g	$164.35 (£72.004)	$165.50 (£72.779)
Gold coins (domestically)		
Krugerrand	$184-186 (£80½-81½)	$190¼-191¼ (£83¼-84¼)
New sov'r'gns	$56½-58½ (£24¾-25¾)	$58¼-59¼ (£25¼-26¼)
Old sov'r'gns	$56½-58½ (£24¾-25¾)	$58¼-59¼ (£25¼-26¼)
Gold coins (int'rn't'n'ly)		
Krugerrand	$168½-170½ (£73¾-74¾)	$170-172 (£74½-75½)
New sov'r'gns	$50½-51½ (£22-22½)	$50½-51½ (£22-22½)
Old Sov'r'gns	$50½-51½ (£22-22½)	$50½-51½ (£22-22½)
$ 20 Eagles	$243-248	$245-250
$ 10 Eagles	$118-123	$120-125
$ 5 Eagles	$98-93	$90-95

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
Charterhall Fin.	5p	10	54	—	56	17
Barclays Bank	£1	9	310	+ 2	325	112
Beecham	25p	8	297	+ 3	310	116
BATS	25p	8	332	+ 7	338	164
EMI	50p	8	177	+ 3	200	62
ICI	£1	8	291	+ 3	302	118
Rank "A"	25p	8	153	—	205	78
Shell Transport	25p	8	315	+ 6	343	118
Babcock & Wilcox	25p	7	115	+10	119	26
BP	£1	7	515	+ 5	535	190
Eng. China Clays	25p	7	66	—	82	35
GEC	25p	7	129	+ 3	133	51
Nat. Westminster	£1	7	260	+ 2	275	88
Unilever	25p	7	390	+ 4	408	170
BOC Int.	25p	6	54	—	58	16½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price(p)	Change on week	1975 high	1975 low
ICI	£1	112	291	−11	302	118
Shell Transport	25p	87	315	−18	343	118
Barclays Bank	£1	77	310	−12	325	112
Marks & Spencer	25p	75	227	−23	256	93
EMI	50p	72	177	−11	200	62
Distillers	50p	70	140½	− 8½	149	65½
Beecham	25p	66	297	−12	310	116
BATS	25p	64	332	− 3	338	164
Tube Invs.	£1	64	262	−42	312	121
GEC	25p	63	129	− 4	133	51
Nat. Westminster	£1	63	260	−12	275	88
BP	£1	60	515	− 7	535	190
Lonrho	25p	56	139	− 9	159	63
Bowater	£1	55	173	−11	185	50
Boots	25p	52	248	−17	276	91

CORAL INDEX
Close 338-343

I.G. INDEX
GOLD 163½-166½

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barking (01-592 4500)	11½	½-year	1,000	2-5
Broxb'rne (Waltham X 27933)	12	½-year	1,000	3-5
Burnley (0282 25011)	12	½-year	1,000	3-5
Dudley (0384 211595)	12½	½-year	1,000	3-4
Greenwich (01-854 8888)	12	½-year	500	3-5
Liverpool (051 227 3911)	12	½-year	500	3-4
Liverpool (051 227 3911)	12½	½-year	500	5-7
Reading (0734 55911)	12½	½-year	500	2
Redbridge (01-478 3020)	12½	½-year	5,000	3-5
Sandwell (021 569 2226)	12	½-year	1,000	2-5
Sefton (051 922 4040)	12½	½-year	2,000	3-5
Suffolk Coastal (039 43 3789)	*11½*	*½-year*	*500*	*1-5*
Thurrock (0375 5122)	11½	½-year	300	1-2
West Yorks. (0924 75234)	12	½-year	1,000	3-4
Wrekin (0952 3571)	12½	½-year	2,000	3-5

BUILDING SOCIETY RATES

	Dep.	Share Accnts.	Sub'pn Shares	Variable Term Shares
Abbey National	6.75%	7.00%	8.25%	●8.25%
Alliance	6.75%	7.00%	8.25%	‡‡7.75%
Anglia	6.75%	7.00%	8.25%	‖7.75%
Birmingham Incorporated	6.75%	7.00%	8.25%	—
Bradford and Bingley	6.75%	7.00%	§8.25%	—
Bristol and West	6.75%	7.00%	8.00%	—
Bristol Economic	6.75%	7.00%	8.25%	†7.25%
Chelsea	6.75%	7.00%	9.00%	†7.25%
Cheltenham and Gloucester	6.75%	7.00%	—	‡7.75%
Cheshire and Northwich	6.75%	7.00%	8.25%	—
Citizens Regency	7.25%	7.70%	8.75%	—
City of London	7.00%	8.00%	8.50%	—
City and Metropolitan	6.75%	7.25%	7.50%	¶8.00%
Coventry Economic	6.75%	7.00%	8.75%	§§7.75%
Gateway	6.75%	7.00%	8.25%	¶7.75%
Greenwich	—	7.60%	8.50%	—
Halifax	6.75%	7.00%	7.50%	¶8.00%
Hastings and Thanet	6.75%	7.00%	8.25%	—
Hearts of Oak and Enfield	6.75%	7.25%	8.50%	—
Hendon	7.35%	7.30%	—	*8.05%
Huddersfield and Bradford	6.75%	7.00%	8.50%	♡7.75%
Leamington Spa	6.87%	7.12%	9.50%	7.50%
Leeds and Holbeck	6.75%	7.00%	8.00%	—
Leeds Permanent ■	6.75%	7.00%	8.25%	—
Leek Westbourne and ECBS	6.75%	7.00%	8.25%	¶¶7.75%
Leicester	6.75%	7.00%	8.25%	††7.75%
Liverpool	6.75%	7.00%	8.30%	*7.50%
Magnet	6.75%	7.00%	7.75%	♡7.75%
Mornington Permanent	6.45%	7.85%	—	—
National Counties ■	7.25%	7.75%	—	—
Nationwide	6.75%	7.00%	7.50%	♣8.25%
Newcastle Permanent	6.75%	**7.00%	7.75%	8.00%
Northern Rock	6.75%	7.00%	8.00%	‡7.75%
North London	7.75%	8.25%	—	♣9.15%
Norwich	6.75%	7.00%	8.25%	—
Paisley	7.25%	7.00%	8.00%	¶¶7.50%
Portman	6.75%	7.00%	8.50%	◇8.25%
Property Owners	6.75%	7.50%	8.50%	††7.85%
Provincial	6.75%	7.00%	8.25%	7.75%
Skipton	6.75%	7.00%	8.25%	—
Steyning and Sussex	7.25%	7.50%	9.00%	—
Sussex Mutual	6.25%	♦7.30%	—	—
Woolwich Equitable	6.75%	7.00%	8.25%	◇7.75%

■ Rates effective as from July 1, 1975.

* Minimum £2,000 6 mths. notice. † 3 mths. ‡ 3 yrs. § 3 yrs. including bonus. ¶ Min. £500 2 yrs. fixed. ‖ 4th issue 2 yrs. ● 2 yrs. over £5,250. ** 7.50% over £5,000. †† 2-3 yrs. ‡‡ 2 yrs. §§ 7.50% 3 mths. notice after 9 mths. ¶¶ 2 yrs. £1,000 min. ‖‖ 2 yrs. £2,000 min. ◇ 2 yrs. £3,000 min. ♡ Min. £100 2 yrs. fixed. ◇ Existing accounts. ♣ 3 yrs. over £5,000. ♦ 7.30% over £5,000.

U.K. CONVERTIBLE STOCKS 13/6/75

Statistics provided by *data STREAM International*

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Acrow Engineers 8pc P. Cv. 92-02	7.38	50.00	●	77-87	15.9	16.1	86.3	86 to 120	16.5	44.6	104.8	+18.5
Alcan Aluminum 9pc Cv. 89-94	12.00	72.00	100.0	76-80	12.4	12.9						
Associated Paper 9½pc Cv. 85-90	1.40	75.00	200.0	76-85	13.4	14.2	56.3	9 to 58	42.5	52.3	20.4	−35.8
Bank of Ireland 10pc Cv. 91-96	10.25	133.00	23.8	77-90	7.6	6.8	34.6	11 to 37	45.1	62.3	17.4	−17.2
BPB 7¾pc Cv. 89-94	5.00	70.00	62.0	72-80	11.3	12.0	24.1	12 to 35	22.5	27.7	9.2	−14.9
English Property 6½pc Cv. 98-03	19.98	168.00	234.0	76-80	3.9	2.6	−10.3	−29 to −2	32.6	23.2	−5.0	+ 5.3
Grand Metropolitan 10pc Cv. 91-96	121.90	81.00	120.2	73-78	12.7	12.9	9.6	6 to 22	15.8	21.0	7.0	− 2.6
Hanson Trust 6½pc Cv. 88-93	4.51	97.50	57.1	76-86	6.8	6.9	20.2	5 to 28	32.4	35.6	3.9	−16.2
Lyons, J. 7½pc Cv. 1981	3.60	75.00	22.7	75-81	9.9	13.7	108.9	97 to 186	14.2	29.3	42.1	−66.8
Mercantile Credit 9pc Cv. 1980	12.68	78.00	138.0	76-80	11.9	16.0	169.2	62 to 169	0.0	30.1	103.9	−65.2
Scottish Automobile 10pc Cv. 85-90	2.00	55.00	166.0	75-85	18.3	19.3	22.7	−5 to 38	41.8	51.0	20.6	− 2.1
Tozer, Kemsley 8pc Cv. 1981	7.33	87.00	153.8	74-79	9.3	11.1	34.7	23 to 60	15.7	24.1	12.9	−21.7
Wilkinson Match 10pc Cv. 83-98	11.10	84.00	40.0	76-83	11.8	12.0	47.9	41 to 103	25.8	46.2	35.9	−11.9

● 22 Ordinary "A" shares (non-voting) plus £50 unsecured loan stock.

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date, whichever is earlier. Income is assumed to grow at 5 per cent. per annum and is present valued at 15 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 15 per cent. per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◇ The difference between the premium and income Difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

STOCK EXCHANGE REPORT

Late advance in leaders following May trade figures

Share index up 5.9 at 340.6 after 334.4—Gilts rally

Account Dealing Dates

*First Dealings	Declarations	Last Dealings	Account Day
May 19	May 29	May 30	Jun. 10
Jun. 2	Jun. 12	Jun. 13	Jun. 24
Jun. 16	Jun. 26	Jun. 27	July 8

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The sharp cutback in the May trade deficit came as a pleasant surprise to stock markets in the late business yesterday and prompted a sharp improvement. Already up to ½ better on the Chancellor's pledge to curb inflation, Gilt-edged gained further ground "after-hours" and quotations showed gains extending to ⅞ at the end of the day. The Government Securities rose 0.66 to 58.22, but still showed a loss on the week of 0.50.

It was a similar story in leading industrials which were marked up by a few pence or so but, unlike gilts, prices were standing around previous overnight levels prior to the 3.30 p.m. announcement of the trade figures. The extent of the late improvement was shown in the F.T. 30-share index which extended a modest gain of 0.5 at 3 p.m. to one of 5.9 at 340.6 by the close. Over the week, however, the index recorded a loss of 21.4 and a fall on the Account of 4.5.

Overall, the day's proceedings were very quiet—official markings fell away further to 6,334 compared with 6,706 on Thursday and 7,553 a week ago. The trend, however, was to slightly better levels with the F.T.-Actuaries All-share index improving 1.3 per cent. to 145.10.

Funds stronger

The Gilt-edged market turned better, reflecting Mr. Healey's pledge on inflation, bear-covering and the later news of surprisingly good Trade figures for May. The shorts were fairly active with after-hours' switching from the longs extending the gains to 7/8 in places; even the new short "tap" Treasury 9¾ per cent., 1980, was traded although it remained at the issue price of 95. Mediums and longs furthered their rises from ¼ to ¾ after the close, but little actual business was effected from above-average inquiries.

The course of sterling was not so much a factor yesterday in the investment currency market, but occasional offerings released by overseas activity in South African Gold shares found trading conditions still sensitive and the premium fell to 90¼ per cent. before closing a net 3¾ down at 91¼ per cent. Yesterday's SE conversion factor was 0.5978 (0.5851).

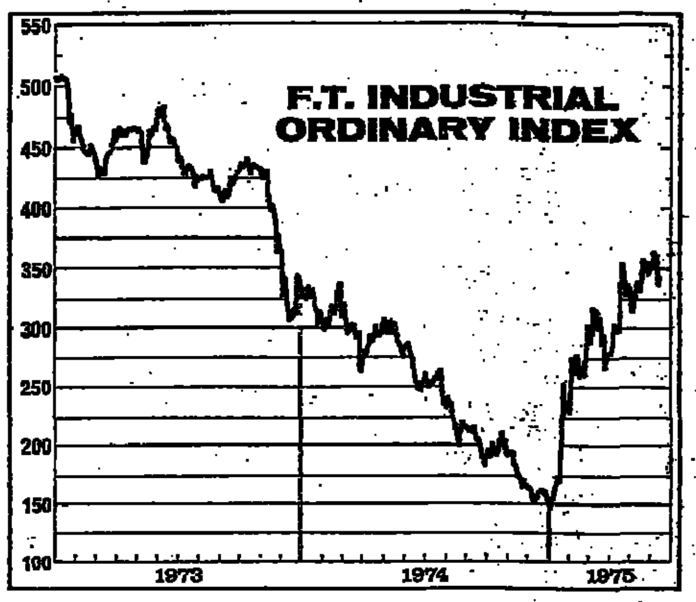
Hambros rise

A shade easier throughout the day on very little business, the big-four Banks were marked higher late and managed to close with improvements of 2. Irish issues continued Thursday's revival. Bank of Ireland gained 10 to 440p and Allied Irish improved 5 to 112p. Overseas issues provided contrasting movements in Standard and Chartered, up 30 at 500p and Bank of New South Wales which fell 15 to 620p. Press comment on the results and the reassuring statement on its tanker loans helped Hambros rise 8 to 173p in Merchant banks.

Closing improvements in Composite Insurances were mainly due to a mark-up in inter-office dealings. Guardian Royal Exchange put on 4 to 208p and Sun Alliance improved 3 to 420p.

Slightly easier at the "house" close, Breweries were marked higher "after-hours" to close a net shade firmer for choice. Distillers performed similarly, firming 3½ to 140½p, after 136p. In a thin market, Long John International put on 7 to 142p.

Buildings joined in the late general market revival and were generally better where changed.



Tarmac rallied 7 to 133p, while Taylor Woodrow, 298p, and Richards and Wallington, 64p, put on 4 apiece. David Charles finished 3 better at 30p following news that agreement had been reached with the Receiver and manager of Bacal Contracting whereby the former will acquire the whole of the capital of Limeport Ltd. Aberdeen Construction rose 3 to a 1975 peak of 59p.

Standing at 288p ahead of the trade figures, ICI closed 3 better at 291p, after 292p, leaving a fall on the week of 11. Alida Packaging, 74p, and Albright and Wilson, 76p, put on 5 apiece, while Allied Colloids moved up 4 to 82p. Norsk Hydro contrasted with a fall of 8 points to £50 pending the sale of the substantial stake owned by Mr. Hilmar Reksten. Hoechst, reflecting the weakness of the dollar premium, slipped 35 to 392p.

Initial gains of a few pence in leading Electricals were almost erased later, but prices firmed again "after-hours" to close with small net improvements after a fair turnover. GEC, 129p, and EMI, 177p, both ended 3 better, while Thorn managed an improvement of 6 at 168p. Philips' Lamp, however, receded 10 to 775p on the easier investment premium. Elsewhere, Chloride staged a rally of 5 to 103p, although still leaving a fall on the week of 14 on the disappointing results. Comet Radiovision, ahead of Monday's interim results, hardened 2 to 37p. Lec Refrigeration gained 6 at 54p and Ward and Goldstone 3 at 54p.

Stores closed firmly following a reasonable business. After Thursday's fall of 6, Marks and Spencer eased afresh to 223p before recovering to close 3 better on balance at 227p. F. W. Woolworth, however, eased a penny to 48p. Vantona moved up 4 to 46p following Press comment on the results, while Blackman and Conrad were raised 2 to 14½ and Allied Retailers 5 to 78p. Martin the Newsagent provided an isolated dull feature at 120p, down 8, following small selling in a restricted market. In Shoes, Stead and Simpson "A" hardened 2 to 33p with the help of a Press mention.

Tube Investments came to the end of a depressing week only slightly steadier at 262p, after 256p; this represents a net rise of 2 on the day but a fall of 34 since Tuesday's news of a cutback in U.S. cycle production. GKN finally settled 6 higher at 251p, Babcock and Wilcox rose 10 to 115p on Press comment and Vickers gained 5 late to 139p. The tendency otherwise was mixed with Sheffield Twist 6 up at 91p on the prospect of a bid battle developing between Thorn and SKF. News items helped T. W. Ward rise 3½ to 51p, N. Greening put on 2 to 27p and Tobenoil 1 to 20p; but poor interim figures lowered A. Lee 1½ to 14½p. Blackwood Hodge shed 5 to 135p and Root Harvesters 3 to 32p, while Pegler-Hattersley, in belated response to the much improved second-half, advanced 3½ to 136p.

British Sugar were prominent in Foods at 395p, up 15. Brooke Bond hardened 1½ to 38½p, while Tate and Lyle, 261p, and J. Sainsbury, 167p, put on 2 and 3 respectively. Goldrei Foucard put on 2 to 25p on the increased earnings, while other firm spots included J. E. Sanger, 3 up at 44p. Supermarkets made modest headway under the lead of Tesco which closed 2½ better at 47p.

Having fallen to 60p in front of the statement, Grand Metropolitan rallied strongly on the better-than-expected first-half profits to close 2 better on the day at 65p. Isle of Man Associated contrasted with a fall of 12 to 45p on small selling in a restricted market.

Pilkington recover

The sharply lower profits having already been discounted, Pilkington staged a worthwhile recovery on "bear closing" following the news and closed 13 up at 195p, after 198p; this still left a loss of 17 on the week. Other miscellaneous Industrial leaders fluctuated within modest limits in quiet trading before being raised a few pence after the House close in line with the general trend. Boots, 248p, and Unilever, 390p, after 392p, recorded improvements of 4, while Beecham, 297p, and Bowater, 173p, bot hfinished 3 firmer. The maintained dividend and Board's expectation of a "healthy recovery" outweighed the profits setback and brought a rise of 7 to 61p in Sangers. Charrington Gardner responded to the good fourth-quarter profits turnround and gained 4 at 33p, while the profits advance and proposed 100 per cent. scrip issue left Crosby Spring 3 firmer at 13p. National Carbonising improved another 2 to 58p, still on the return to dividend and profits, while U.K. Optical, a firm market of late on the "rights" offer, indicated dividend increase and results, rose 4 more to 92p.

Jonas Woodhead provided a good late spot in Motors and Distributors, rising 5 to 76p in response to the increased dividend and profits. Associated Engineering closed 2½ better at 58p, while Rolls-Royce, 61p, and Dunlop, 61p, rallied 2. Crane Fruehauf also hardened 2, to 16p, in quiet Commercial Vehicles, while Garages had Lex Service a shade easier at 12½p and David Nelson ½ cheaper at 5½.

The sole feature in Newspapers was Thomson which, on revived speculation about North Sea potential, jumped 11 to 199p. Paper/Printings closed mixed with James Cropper 3 easier at 27p on the reduced final dividend, but Culter Guard Bridge 2 better at 18½p in reply to Press comment.

After starting a little firmer, Property leaders drifted easier before hardening late with the general trend to leave minimal change on balance. Amalgamated Investment were an exception, closing at the day's worst of 37p, down 2½, on adverse Press comment. Elsewhere, Property Holding and Investment improved 5 to 215p awaiting Monday's annual results. Similar improvements occurred in Berkeley Hambro, 157p, Property and Reversionary "A," 178p, and United Real Property, 230p, while Peachey put on 2½ to 31½p. Lane Fox, on the other hand, receded 3 to 22p.

Oils close firmly

Oils survived a couple of brief reactionary spells to close at the best, although business which had been good earlier lessened after hours. Shell picked up 6 to 315p, British Petroleum 5 to 515p and Ultramar 4 to 208p, the last-named after 200p. Tricentrol were slightly more active at 66p, up 3, while lingering bid speculation raised Berry Wiggins 2 to 37p. Oil Exploration, however, lost 3 further to 67p. Less popular stocks, dealt under Rule 163 (1) (e), to the fore included Ball and Collins, 35 higher at 170p, and Gas and Oil Acreage, 8 dearer at 166p. Siebens Oil (U.K.) new shares jumped 60 to 260p, but Australian issues were dull; Woodside-Burmah gave up 5 at 63p and Associated Australian 10 to 125p.

Overseas Traders presented a brighter picture. Inchcape rallied well by 20 to 370p, while Paterson Zochonis, in a thin market, moved up similarly to 400p. Booker McConnell improved 5 to 155p and S. and W. Berisford 4 to 152p, but James Finlay shed 3 to 137p.

London United Investments featured Financials, rising 9 to a 1975 "high" of 84p on fresh speculative buying on North Sea Oil hopes. Buyers also came for Yule Catto which gained 6 to 37p and Edinburgh Industrial which hardened 2 to 16½p. Lubok Investments 12 per cent. Convertible rallied 6 points to £162.

Although attracting a lot of enquiry "after-hours" very little business was actually transacted in Shippings which nevertheless managed to close firmer for choice. P and O Deferred picked up 3 to 101p as did Felixstowe Dock, 88p and Furness Withy, 218p. Sold down further to 150p on the prospect of the nationalisation of its parent concern British Caledonian Air Travel, British and Commonwealth rallied to finish 1 harder on balance at 156p.

In common with other market majors, Courtaulds performed well "after-hours" to close 7 better at 131p. Elsewhere in Textiles, "Snia-Viscosa" ran back 6 to 197p and Tomkinsons (interim results Monday) cheapened 1 to 53p.

After a late mark-up, Bats ended 7 dearer at 332p and Imps were 1½ better at 60p.

Press comment on the disappointing results resulted in fresh selling of Guthrie which touched 197p before closing 13 down on balance at 202p, making a fall on the week of 40. Teas had a contrasting feature in Crosby House which rose 4 more to a 1975 "high" of 112p for a jump of 20 since Monday's good results.

Golds ease

Gold shares ended the week on an easier note. Prices were steady at the opening but the fresh fall in the investment currency premium coupled with an easier bullion price subsequently turned the market lower. The Gold Mines index lost 6.5 to 379.9, a fall of 9.1 over the week while bullion gave up $1.75 on the day at $164.25 per ounce, $1 down over the longer period.

In the heavyweights, losses ranged to £1 in Western Deep (£20) and President Brand (£22¼). Following the reduced interim payments Marievale were 30 off at 450p and Grootvlei came back 20 to 280p.

Financials ended with mixed fortunes. London-based issues were little changed to a shade firmer in late trading reflecting the better-than-expected U.K. trade figures. The overseas issues were easier in line with the premium, however, Union Corporation being 10 off at 520p and Anglo American 5 down at 480p. De Beers were 7 lower at 295p.

Platinums drifted with Potgietersrust being 5 cheaper at 220p but the shares were still 18 higher over the week reflecting earlier Cape demand. Coppers were lower where changed, Cape offerings taking 40 from Palabora at 880p.

Poor home markets overnight and the declining premium left scattered falls in Australians, interest also being dampened by the fact that the Sydney and Melbourne exchanges will be closed on Monday. Gold Mines of Kalgoorlie lost 10 at 145p and Pancontinental were 15 cheaper at 315p.

Tins were untested. Beralt were steady at 22p in front of the annual reports and chairman's statement.

FINANCIAL TIMES STOCK INDICES

	June 13	June 12	June 11	June 10	June 9	June 6	A year ago
Government Secs.	58.22	57.56	57.60	58.33	58.35	58.72	57.07
Fixed Interest	57.43	57.22	58.01	58.17	58.14	58.51	56.89
Industrial Ordinary	340.6	334.7	334.2	339.8	352.3	352.0	373.5
Gold Mines	379.9	386.4	378.7	374.9	371.6	389.0	318.3
Ord. Div. Yld. %	5.83	5.92	5.94	5.83	5.64	5.49	7.20
Earnings Yld. % (full)(a)	17.45	17.73	17.80	17.45	16.88	16.44	18.71
P/E Ratio (net) (a) (b)	8.18	8.05	8.02	8.18	8.46	8.69	7.36
Dealings marked	6,334	6,706	6,729	6,833	6,628	7,553	10,248
Equity turnover £m.	—	77.73	65.26	74.37	66.09	107.41	56.71
Equity bargains total	—	18,460	18,283	19,136	20,757	25,503	9,996

10 a.m. 334.4. 11 a.m. 334.5. Noon 334.5. 1 p.m. 335.4. 2 p.m. 335.2. 3 p.m. 335.2.
Latest index 01-246 8026. † Excluding regional exchanges.
(a) Based on 52 per cent. corporation tax. (b) Nil=8.13.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/5)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.3 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	June 13	June 12
Daily— Gilt-Edged	132.6	133.9
Industrials	217.5	[illegible]
Speculative	48.1	39.9
Totals	144.9	[illegible]
5-day Av'ge Gilt-Edged	141.8	162.9
Industrials	244.0	251.3
Speculative	60.1	66.8
Totals	160.4	163.3

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS

GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section.

		Fri. June 13 Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Thurs. June 12 Index No.	Wed. June 11 Index No.	Tuesday June 10 Index No.	Monday June 9 Index No.	Year ago (approx) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	121.75	+1.8	19.67	6.54	7.62	7.52	119.58	121.28	123.79	127.01	100.42	131.26 (6/6)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	103.03	+2.0	21.47	7.51	7.12	7.12	101.02	101.24	103.96	107.53	100.92	117.40 (22/4)	45.11 (6/1)	253.84 (2/6/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	225.41	+0.9	17.21	3.96	8.68	8.68	223.42	227.81	230.43	234.20	164.75	251.61 (23/4)	74.74 (6/1)	369.33 (18/5/72)	71.48 (12/12/74)
4	Electricals (16)	223.53	+4.0	16.84	5.28	8.66	8.54	214.88	216.38	220.62	226.25	186.91	234.64 (6/6)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/68)
5	Engineering (Heavy) (13)	145.69	+2.2	24.12	7.42	6.28	6.28	142.54	144.12	146.88	151.75	107.83	159.79 (22/4)	64.39 (2/1)	202.57 (8/6/73)	64.39 (2/1/75)
6	Engineering (General) (65)	107.15	+0.9	20.48	7.47	7.16	7.16	106.14	108.40	110.61	113.49	82.21	117.40 (6/6)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (11)	42.21	−0.5	14.56	8.42	12.41	12.41	42.41	42.42	43.39	43.42	34.39	48.98 (20/5)	20.11 (2/1)	136.70 (4/7/68)	19.96 (13/12/74)
8	Miscellaneous (23)	112.00	+0.1	22.45	6.98	6.60	6.50	111.91	115.24	117.91	120.50	92.59	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (59)	86.46	+1.0	21.16	7.10	6.99	6.97	85.62	87.60	88.39	90.44	87.28	95.15 (6/6)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	98.91	+1.9	20.60	5.20	7.03	7.02	97.11	99.63	100.28	102.75	103.18	106.34 (6/6)	44.26 (8/1)	257.41 (19/5/72)	42.85 (13/12/74)
11	Household Goods (15)	133.96	−0.4	31.50	7.96	4.58	4.58	134.45	137.17	138.45	141.29	143.92	146.90 (23/4)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (29)	47.19	+0.3	17.51	9.44	8.93	8.87	47.04	47.99	48.59	49.67	43.80	50.91 (6/6)	19.91 (8/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (164)	137.10	+1.7	14.66	5.95	9.72	9.67	134.80	136.55	138.65	141.55	105.92	146.45 (6/6)	61.98 (6/1)	226.08 (16/3/72)	61.41 (13/12/74)
14	Breweries (16)	152.62	+1.6	13.11	6.50	11.42	11.42	150.27	153.29	155.57	156.66	123.80	163.83 (6/6)	75.56 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (8)	162.31	+1.5	13.90	5.79	10.61	10.61	159.94	158.10	161.71	167.23	136.25	176.43 (6/6)	80.42 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	145.13	+1.4	14.84	7.74	9.92	9.92	143.09	144.02	146.98	152.57	119.41	158.44 (27/5)	55.26 (6/1)	329.99 (13/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	148.74	+2.3	14.01	6.28	9.77	9.72	145.37	145.82	147.47	151.37	106.61	156.57 (6/6)	62.03 (2/1)	211.65 (14/11/74)	59.67 (11/12/74)
18	Food Retailing (16)	136.30	+1.2	11.47	4.59	12.88	12.88	134.67	136.57	139.79	143.09	96.53	149.17 (4/6)	57.16 (2/1)	255.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	142.43	+1.6	16.77	6.71	8.98	8.98	140.21	142.42	147.24	151.68	135.00	152.14 (6/6)	55.08 (6/1)	260.29 (13/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	97.75	+1.2	24.68	6.99	5.98	5.99	96.57	97.89	98.78	101.86	74.30	107.12 (20/5)	43.46 (6/1)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (30)	122.22	+1.2	11.29	5.30	13.26	13.26	120.77	123.95	125.02	127.44	85.16	132.94 (20/5)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (19)	136.57	+3.2	25.64	6.55	4.66	4.51	132.09	135.35	134.22	138.61	114.74	145.07 (27/5)	62.91 (6/1)	253.72 (17/8/69)	62.66 (11/12/74)
23	Tobacco (3)	187.80	+1.9	17.63	7.09	8.43	8.43	184.26	183.98	189.43	191.42	172.18	199.16 (10/3)	109.92 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	41.49	+2.1	30.44	7.43	4.59	4.59	40.65	42.05	43.05	43.98	39.21	44.08 (6/6)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (24)	179.65	+1.8	19.78	5.01	7.21	7.21	176.51	178.98	181.13	185.23	133.26	189.17 (6/6)	73.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	87.46	−1.4	16.35	6.07	8.24	8.24	88.74	89.80	92.65	94.01	104.08	104.78 (17/4)	45.34 (2/1)	246.06 (1/8/72)	45.34 (2/1/75)
27	Shipping (12)	350.37	+2.1	22.79	6.86	5.61	5.42	343.30	351.07	356.46	359.33	342.52	401.84 (10/3)	194.36 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	142.44	+1.8	18.52	6.85	7.80	7.80	139.90	141.93	144.19	148.44	119.42	153.58 (6/6)	60.39 (6/1)	258.85 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	134.02	+1.6	17.33	6.10	8.30	8.27	131.84	133.71	135.88	138.96	108.88	143.43 (6/6)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	285.00	+1.4	25.82	6.32	4.15	3.87	280.95	277.15	281.15	290.81	203.00	296.47 (4/6)	106.85 (2/1)	451.66 (29/5/69)	87.23 (29/6/62)
31	500 SHARE INDEX	146.66	+1.6	18.61	5.98	7.21	7.06	144.32	145.76	148.08	151.69	116.91	156.14 (6/6)	63.49 (6/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	138.17	+0.4	—	5.25	—	—	137.65	136.59	138.68	141.31	105.62	148.46 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	168.79	+0.9	21.92	4.67	6.79	6.79	167.35	162.92	164.52	171.60	125.84	177.11 (5/6)	62.56 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	147.72	−1.0	—	8.13	—	—	149.19	149.19	153.86	157.22	153.21	169.27 (7/3)	84.13 (6/1)	293.13 (2/6/72)	81.40 (10/12/74)
35	Hire Purchase (5)	91.54	+4.2	27.26	10.01	4.88	4.47	87.87	87.87	88.31	96.53	194.91	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.85 (11/12/74)
36	Insurance (Life) (9)	110.77	+0.3	—	6.16	—	—	110.41	110.41	113.19	114.26	87.77	127.97 (23/4)	44.88 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	112.36	+0.3	—	5.87	—	—	112.04	111.26	113.02	114.19	69.54	123.90 (20/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	193.51	−2.4	10.52	4.37	14.14	14.14	198.28	198.28	203.80	204.13	141.50	211.50 (20/5)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	86.26	—	—	7.30	—	—	86.30	86.15	87.45	89.11	95.31	94.97 (7/3)	31.21 (7/1)	278.67 (1/5/72)	31.21 (7/1/75)
40	Property (32)	184.06	+0.4	4.51	3.40	32.90	31.88	183.27	185.65	188.26	187.93	137.54	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	73.06	+0.3	13.66	8.97	10.67	10.54	72.84	72.81	73.22	75.18	89.63	75.78 (23/4)	34.78 (10/1)	303.13 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	168.34	+0.8	3.00	4.14	33.30	33.30	166.95	168.06	171.41	178.53	119.21	178.53 (6/6)	75.45 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	145.10	+1.3	—	5.72	—	—	143.21	144.10	146.42	149.77	113.85	154.09 (6/6)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	440.52	−3.1	11.78	7.47	10.06	9.62	454.66	458.39	456.95	472.67	369.70	525.43 (23/5)	281.66 (2/1)	566.37 (23/7/73)	84.68 (25/8/65)
45	Teas (10)	97.56	+0.9	19.74	9.91	6.44	5.95	96.72	96.56	96.39	96.13	103.78	97.56 (13/6)	76.76 (10/1)	121.47 (1/5/72)	59.72 (17/10/74)
46	Coppers (3)	394.39	−2.2	49.81	19.15	2.01	2.01	403.36	393.56	388.99	400.56	394.07	467.74 (27/5)	374.58 (22/1)	567.78 (13/7/73)	94.08 (29/4/65)
47	Mining Finance (11)	134.09	−0.1	9.09	3.94	11.99	11.96	134.19	131.76	132.15	132.86	96.57	141.34 (30/5)	80.58 (22/1)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	104.77	−0.3	9.73	7.91	13.23	11.37	105.12	104.99	105.06	106.65	91.34	114.49 (3/6)	58.91 (6/1)	128.43 (12/1/73)	54.83 (27/5/71)
49	Overseas Traders (13)	221.71	+1.6	15.80	4.07	8.05	8.03	218.20	220.23	226.10	232.53	—	252.93 (20/5)	97.37 (6/1)	252.23 (30/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Friday, June 13 Index No.	Friday, June 13 Yield %	Thurs. June 12	Wed. June 11	Tuesday June 10	Monday June 9	Friday June 6	Thurs. June 5	Wed. June 4	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.68	14.90	14.89	14.67	14.66	14.54	14.53	14.63	14.91	—	—	—	—
2	20-yr. Govt. Stocks (6)	47.33	‡13.68	46.63	46.65	47.45	47.62	47.80	47.63	47.46	49.46	53.09 (20/5)	38.27 (3/1)	115.42 (11/8/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	45.79	‡16.06	45.77	46.11	46.24	46.24	46.23	46.16	46.13	48.00	50.65 (21/5)	37.01 (3/1)	113.45 (25/10/63)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	41.92	16.52	41.87	42.29	42.29	42.24	42.19	42.47	42.51	44.88	46.57 (29/5)	35.35 (3/1)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	58.42	16.12	58.51	59.36	59.34	59.37	59.29	59.17	59.06	58.35	66.98 (20/5)	48.55 (3/1)	114.95 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00
Engineering (Heavy)	31/12/71	153.84
Engineering (General)	31/12/71	153.84
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	120.86
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00

‡ Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

CONSTITUENT CHANGES: Midland Yorkshire Holdings (Chemicals) has been replaced by Sheaf Steam (Shipping); Cussons Group has been replaced by Macarthys Pharmaceuticals (Chemicals).

MONEY + EXCHANGES

Lower interest rates

Bank of England Minimum Lending Rate 10%
(Since May 2, 1975)

Short-term interest rates showed a weaker tendency in the London money market yesterday, with the recent weakness of sterling tending to raise them, but with the latest U.K. overseas trade figures tending to reduce them. The one-month sterling certificate yield ended at the previous 9 7/16-9⅝ per cent., but the three-month fell to 9 13/16-9 11/16 per cent., from Thursday's 9 13/16-9¾ per cent., and the one-year to 10 13/16-10¾, from 11¼-11 per cent. Day-to-day credit was in short supply, and the authorities gave a moderate amount of assistance, through bill purchases from the Discount houses. Banks had carried over a modest shortage from Thursday, the market faced a net take-up of Treasury bills, there was a rise in the note circulation, and gilt-edged settlements were against the market's favour, once more. But Government disbursements exceeded revenue transfers to the Exchequer.

At the Treasury bill tender, the average rate of discount was raised to 9.4148 per cent., from the previous 9.3988 per cent. Applications were reduced £76.7m. to £420.5m., with the amount of bills on offer cut £100m. to £200m. The minimum accepted bid was reduced ½p to £97.65 (equivalent to 9.4258 per cent. in annual discount terms). All bills offered were allotted, while next week £250m. will be on tender, against maturities of £120m.

June 13 1975	Sterling Certificates of deposits	Inter-bank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ◆	Bank bills ◆	Fine trade bills ◆
Overnight	—	3-9	—	—	—	9½-10	7½-9⅝	—	—	—
2 days notice	—	—	9-9¼	—	—	—	—	—	—	—
†7 days or 7 days notice	—	8¾-9⅝	9⅛-9½	—	—	—	—	—	—	—
One month	9 7/16-9⅝	9⅝-9 11/16	9⅜-9⅝	10¼-9⅝	9½-10⅛	—	9-9¼	—	—	—
Two months	9 11/16-9⅝	9 9/16-9 11/16	—	10¼-9⅝	9½-10¼	—	9	9¼-9½	9⅝	9¾-11
Three months	9 13/16-9 11/16	9 11/16-9 13/16	9¾-9⅞	10¼-9⅝	9¾-10¾	—	9¼	9⅜-9½	9⅝-9 11/16	10⅛-11
Six months	10 5/16-10	10 5/16-10 7/16	10⅛-10¼	10½-9⅝	10-11¼	—	9⅜-9½	9⅜-9½	9¾-9⅞	10⅜-11
Nine months	10 13/16-10½	10½-10 11/16	—	11¼-10⅜	—	—	—	—	10⅛-10⅜	10¾-11¼
One year	10 13/16-10¾	10⅞-11	11⅞-12	11¾-11¼	—	—	—	—	—	—
Two years	—	—	13-13¼	—	—	—	—	—	—	—

†Local Authority and finance houses seven days' notice; others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13¾ per cent.; four years 14¼ per cent.; five years 14½-14¾ per cent. ◆ Bank bill rates in table are buying rates for prime paper; buying rates for four-month bank bills 9¾-10 per cent.; and four-month trade bills 10½-11½ per cent. Approximate selling rates for one-month Treasury bills 9¼-9 5/16 per cent.; two-month 9 5/16-9¼ per cent.; three-month 9¼-9 5/16 per cent. Approximate selling rates for one-month bank bills 9⅝ per cent.; for two-month 9 7/16-9½ per cent.; and three-month 9⅝ per cent.; for one-month trade bills 9¾-10½ per cent.; two-month 9¾-10½ per cent.; and three-month 9¾-10½ per cent.

Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from May 1. Clearing Bank Deposit Rates for small sums at seven days' notice: 6½ per cent. Clearing Banks Base Rates for lending: 9½ per cent. Treasury Bills: Average tender rate of discount 9.4148 per cent.

EXCHANGES AND BULLION

Sterling recovered on balance yesterday against major currencies in general with its trade-weighted average depreciation in terms of 10 units since the Washington Currency Agreement of December, 1971 (as calculated by the Bank of England) narrowing to 25.9 per cent., from 26.2 per cent., and standing at 25.9 per cent. in early dealings, and at 26.1 per cent. at noon. A fairly good business was seen, with the overseas trade news welcomed by the market. In terms of the U.S. dollar, the pound gained 50 points on the day, to $2.2830-2.2840—opening at $2.2810-2.2830, and touching $2.2775-2.2785 as the retail price figures were coming out, after having been up to $2.2860-2.2865 in early dealings, but reaching levels of $2.2850-2.2950, on a quoted, if not dealing basis, immediately on the trade news.

The dollar's weighted fall against 14 units since the Washington Agreement (as measured by Morgan Guaranty) was unchanged, at 6.95 per cent., while sterling's fall on a similar basis narrowed to 31.84 per cent., from 32.15 per cent.

Gold fell $1¾ an ounce on balance in London to $163¾-164¾. Business was modest. The spot price opened at $164¾-165¾, and trended down over the day.

The Krugerrand ended at a premium of 12¾ per cent. over its gold content in domestic dealings, against the previous 14¾ per cent., and at a premium of 3⅞ per cent. in international, against 3 per cent.

FOREIGN EXCHANGES

June 13 1975	Bank Rates %	Market Rates: Day's Spread	Market Rates: Close
New York	6	2.2775-2.2910	2.2830-2.2840
Montreal	8¼	2.3340-2.3450	2.3390-2.3400
Amsterdam	6	5.45-5.50	5.47½-5.48½
†Brussels	6½	78.20-79.00	78.50-78.70
Copenh'gen	8	12.53-12.65	12.53¾-12.54¾
Frankfurt	4½	5.31-5.35	5.33½-5.33½
Lisbon	8½	54.32-55.40	55.10-55.30
Madrid	†7	127.00-127.80	127.15-127.35
Milan	7	1,425-1,437	1,428-1,429
Oslo	5½	11.12-11.19	11.13-11.14
Paris	9½	9.11-9.16	9.13½-9.14½
Stockholm	7	8.88½-8.94½	8.91½-8.92½
Tokyo	8	665-675	669-670
Vienna	6	37.55-38.00	37.65-37.85
Zurich	4½	5.68-5.71	5.68½-5.69½

†Basic discount. ‡Rates given are for convertible francs: closing financial franc 82.55-82.95.

OTHER MARKETS

		◆Notes Rates*	
Argentina	53.31-53.57	Argentina	126-176
Australia	1.6929-1.7089	Austria	39½-38½
Brazil	18.06-18.26	Belgium	81¼-3¼
Finland	8.04-8.06	Brazil	28.26
Greece	67.554-69.002	Canada	2.31-2.34
H'ngKong	11.266-11.28	Denmark	12.20-.40
Iran	160.3-162.3	France	9.05-9.15
Kuwait	0.647-0.657	Germany	5.28-5.40
Luxemb'g	78.20-78.45	Greece	68-88
Malaysia	5.1795-5.1935	Italy	1,390-1,430
N. Zealand	1.7287-1.7367	Japan	665-685
Saudi Arb.	7.78-8.08	Nethrl'ds	5.35-5.55
Singapore	5.1760-5.1860	Norway	11.01-.20
S. Africa	1.5457-1.5575	Portugal	54-58½
U.S.	—	Spain	124-127
Canada	—	Switz'land	5.55-5.75
US$1=		U.S.	2.27-2.29
U.S. cents	97.57-97.60	Yugosl'a	36-38

◆Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. *Rates given are for June 13. Rates for June 12 unavailable due to unsettled market conditions. (sg) Selling. ◆Rate given is for commercial rates; financial rate 68.51-68.71.

EXCHANGE CROSS-RATES

June 13	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankft'	—	2.331-333	58.25-45	6.41-43	5.303-325	97.40-60	93.80-90
N. York	42.80-85	—	25.02-06	2.8720-50	2.2830-2835	41.64-65	40.12-22
Paris	171.280-870	3.9937-003	—	11.494-5085	9.101-1255	166.32-22	160.285-425
Brussels	14.89-95	34.78-83	8.68-71	—	79.20-40	14.50-57	13.95-01
London	5.33½-33½	2.2830-2840	9.13½-14½	79.50-80	—	5.47½-48½	5.68½-69½
Am'ardam	102.635-685	2.3942-396	59.855-905	6.8825-8875	5.4595-4845	—	96.185-235
Zurich	105.52-75	2.4885-4915	62.09-25	7.15-1675	5.6870-6995	103.66-07	—

U.S. $ in Montreal. U.S. $=102.50-52 Canadian cents. Canadian $ in New York. $C1=97.56-58 U.S. cents. U.S. $ in Milan 624.20. Sterling in Milan 1422.60.

EURO-CURRENCY INTEREST RATES*

June 13 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch guilder	W. German mark	Swiss franc
†Short term	8-9⅜	5-5½	5½-6½	1¼-1¾	4¼-4½	⅛-1
7 days notice	9⅛-10⅛	5⅞-5⅞	6⅛-7⅛	1½-1⅞	4¼-4½	⅝-1⅛
Month	9⅝-10⅛	5¼-5¾	6¾-7⅛	2⅛-2¾	4⅜-4⅝	3⅛-3¾
Three months	10⅛-10⅞	5⅝-6⅛	7-7¼	5¼-5⅝	4½-4¾	3⅜-3⅝
Six months	11⅜-11⅞	6⅛-7	7⅜-7⅝	4⅛-4⅝	4¼-4⅞	4⅛-4½
One Year	12⅛-12⅝	7⅜-7⅞	8-8⅞	6⅞-6⅛	5¾-5⅞	5⅝-5⅞

Euro-French deposit rate short-term 11-11½ per cent.; seven days' notice 11-11½ per cent.; one-month 8¼-8¾ per cent.; three months 8¾-9 per cent.; six months 8¾-9¼ per cent.; one year 9¼-9¾ per cent.

Longer-term Eurodollar deposits: two years 8¼-8¾ per cent.; three years 8¾-9 per cent.; four years 9-9½ per cent.; five years 9¼-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5 9/16-5 7/16 per cent.; three months 5¾-6¼ per cent.; six months 6⅝-6¼ per cent.; one year 7 11/16-7½ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

FORWARD RATES

	One month	Three months
New York	0.85-0.75 c.pm	2.75-2.65 c.pm
Montreal	0.60-0.50 c.pm	2.05-1.95 c.pm
Amst'dam	3¼-2¼ c.pm	10¼-9¼ c.pm
Brussels	20-05 c.pm	65-55 c.pm
Cop'n'hgn	5¼-2¼ ore pm	15¼-10¼ ore pm
Frankfurt	3-2 pf. pm	8¼-7¼ pf. pm
Lisbon	30 c.pm-30c.dis	80 c.pm-80 c.dis
Milan	3 lire pm-par	10-7 lire pm
Oslo	2 ore pm-par	7-4 ore pm
Paris	2 c.pm-par	5½-3½ c.pm
Stockholm	2 ore pm-par	6-4 ore pm
Vienna	30 gro pm-par	70-50 gro pm
Zurich	3¼-2¼ c.pm	10¼-9¼ c.pm

Six-month forward U.S. dollar 5.15-5.05c pm and 12-month 11.70-11.60c pm.

BASE LENDING RATES

- AFT International 9½%
- Allied Irish Banks Ltd. ... 9½%
- Anglo-Portuguese Bank ... 10 %
- Henry Ansbacher 10½%
- Banco de Bilbao 9½%
- Banco de Jerez 10½%
- Bank of Cyprus ...... 10 %
- Banque du Rhone S.A. 10 %
- Barclays Bank 9½%
- Barnett, Christie Ltd. ... 11 %
- Bremar Holdings Ltd. 10½%
- Brit. Bank of Mid. East 9½%
- ■ Brown Shipley 10½%
- Cayzer, Bowater Co. Ltd. 10½%
- Cedar Holdings ...... 11 %
- ■ Charterhouse Japhet ... 10½%
- C. E. Coates 10½%
- Consolidated Credits ... 12 %
- Continental Trade Bk. ... 9½%
- Co-operative Bank *9½%
- Copleys Bank 11½%
- Corinthian Securities ... 9½%
- Credit Lyonnais 9½%
- G. R. Dawes 10½%
- Duboff Brothers 11½%
- Duncan Lawrie 10½%
- English Transcont 11½%
- First London Secs. ... 9½%
- ■ Antony Gibbs ...... 10 %
- Goode Durrant Trust ... 10 %
- Greyhound Guaranty ... 9½%
- Grindlays Bank ...... 10 %
- ■ Guinness Mahon 10½%
- ■ Hambros Bank 9½%
- Hawtin & Partners ...... 13 %
- ■ Hill Samuel ...... §10 %
- C. Hoare & Co. ...... †9½%
- Julian S. Hodge 10½%
- Industrial Bank of Scot. 9½%
- Jacobs, Kroll 11½%
- Keyser Ullmann 10½%
- Kinghurst Securities ... 12 %
- Lloyds Bank 9½%
- London & European ... 11½%
- London Mercantile ... 11½%
- Midland Bank 9½%
- ■ Samuel Montagu 9½%
- ■ Morgan Grenfell 9½%
- Morris Wigram Ltd. ... 10½%
- National Westminster ... 9½%
- Northern Comm. Trust 11½%
- Norwich General Trust 10 %
- Portman Guaranty ...... 11 %
- P. S. Refson & Co. 9½%
- Rossminster Accept'cs ... 9½%
- Royal Trust of Canada 10½%
- E. S. Schwab 11½%
- Security Trust Co. Ltd. 11 %
- Shenley Trust 11½%
- Standard & Chartered 9½%
- Sterling Credit ...... 12 %
- Stewart Salmon & Co. ... 9½%
- Thames Guaranty ...... 12 %
- Trade Development Bk. 9½%
- Twentieth Century Bk. 11½%
- United Bank of Kuwait 9½%
- Wallace Brothers Bank 10½%
- Whiteaway Laidlaw ... 10 %
- Williams and Glyn's ... 9½%
- Yorkshire Bank 9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7¼%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7¾%.

INSURANCE BASE RATES

- † Atlantic Assurance 11½%
- Cannon Assurance ...... 9 %

† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

[illegible]

(a) The British Life Office Ltd.♥

Reliance Hse., Tunbridge Wells, Kt. 0892 22271

BL British Life	38.7	40.5	+0.8	5.40
BL Balanced*	29.0	30.7	.....	4.87
BL Capital*	31.9	33.8	.....	5.23
BL Dividend*	27.3	28.9	.....	9.60

*Prices on June 11. Next dealing June 18

(a)(g) G. and A. Un. Tst. Mgrs. Ltd.♥

5, Rayleigh Rd., Brentwood. (0277) 227300

G. & A.	22.9	24.5	+0.7	5.35

Gartmore Fund Managers♥

2, St. Mary Axe, EC3A 8BP. 01-283 3531

British Trust	32.8	35.3	+0.5	4.49
High Income Tst.	28.9	31.1	−0.4	11.63
(Z)Overseas Tst.	25.8	27.7	.....	1.50

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	12	.....	Gardner (L.)	60	−2	Shiloh Spinn.	23	.....
Ash Spinning	34	.....	Graig Ship. £1	470	.....	Sindall (Wm.)	43	.....
Bertam	18	.....	Hallam Sleigh 10p	9	.....	Vincent (H.)	83	−2
Brady (G.) 'A'	51	.....	Higsons Brew	88	.....	**IRISH**		
Bdg'wtr. Est. 50p	£135	.....	I.O.M. Stm. £1	110	.....	Alliance Gas (£1)	55	.....
Clover Croft	35	.....	Holt (Jos.) 25p	185	.....	Carroll (P. J.)	112	.....
Craig & Rose £1	312	.....	Kleen-e-Ze	30	.....	Clondalkin	59	.....
Dundee Ice £1	295	.....	Lovell's Ship £1	130	.....	Concrete Prods.	72	.....
Dyson (R.A.)	30	−5	N'thn. Goldsmith	65	.....	Goodbody (£1)	38	.....
Ellis & McHdy.	57	.....	P.M.A.	38	.....	Heiton (Hldgs.)	59	.....
Evans Fr'k. 10p	30	.....	Pearce (C. H.)	60	.....	Irish Distillers	56	−3
Evered	23	.....	Peel Mills	18	.....	Irish Wire	40	.....
Fife Forge	48	.....	Richards 10p	7½	.....	Jacob	52	−3
Finlay Pkg. 5p	16	.....	RobbCaledon 5p	50	.....	Sunbeam	13	.....
Frost & Reed 50p	88xd	.....	Sayers 12½p	9p	.....	Unidare	68	.....
Gardiner & Sons	11	.....	Sheff. Refrshmt.	150	.....			

NEW "HIGHS" AND "LOWS" FOR 1975

The following securities (numbers in parentheses) among those quoted in the *Share Information Service* yesterday attained new "highs" and "lows" for 1975.

NEW HIGHS (28)

BRITISH FUNDS (2)
Savings 3pc 1965-75 Electric 3pc 1974-77

BUILDINGS (1)
Aberdeen Construction

STORES (2)
Preedy (Alfred) Vantona

ENGINEERING (1)
Sheffield Twist Drill

FOODS (2)
British Sugar Sanger (J. E.)

INDUSTRIALS (9)
Crosby Spring, Fregey, Huntleigh, LRC Int., Macfarlane Group, Sangers, U.K. Optical, Utd. City Merchants, Whiteley (B. S. & W.)

PAPERS (1)
McCorquodale

SOUTH AFRICANS (2)
Primrose S.A. Brew.

TEXTILES (1)
Reed (Wm.)

TRUSTS (5)
Estate Duties, SPLIT Inc., Updown Inv., Edinburgh Ind., London United

OILS (1)
Berry Wiggins

TEAS (1)
Crosby House

NEW LOWS (4)

TEXTILES (2)
Fairfax Jersey Reed (Wm.)

MINES (2)
Roan Cons. Gold Mns. Kalgoorlie

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

NOTES

[illegible]

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (MISCEL.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 67½% (based on $2.2787 per £)

CANADIANS

S.E. List Premium 67½% (based on $2.3362 per £)
Conversion factor 0.5978 (0.5851)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

MINES

CENTRAL RAND

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¾	780	Durban Deep R1	£10	−½	‡Q110c	ϕ	‡
£14	860	E. Rand Prp. R1	£10¼	−¼	‡Q115c	ϕ	‡
105	55	Rand Leases 25c	65	......	—	—	—
£34½	£22	Randf'tn Est. R2	£29½	−½	—	—	—
500	260	West Rand R1	350	−10	‡Q40c	1.3	‡

EASTERN RAND

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	235	Bracken R1	285	−10	†Q51c	1.1	11.5
23	13	Daggafontein 50c	17	+2	—	—	—
105	66	East Dag. R1	30	−10	‡Q25c	ϕ	‡
140	140	Gvnt. Areas 5c	140#	......	—	—	—
380	210	Grootvlei 30c	260	−20	‡Q52c	1.1	‡
820	410	Kinross R1	690	−10	†Q50c	1.5	4.7
198	107	Leslie 30c	144	−4	†Q22c	1.6	9.8
550	325	Marievale 70c	450	−30	‡Q84c	1.2	‡
725	380	S. African Ld. 35c	635	−35	‡Q65c	1.2	‡
265	175	Vlakfontein R1	215	−5	Q30c	ϕ	9.2
£13¾	840	Winkelhaak R1	£12¾	......	†Q44c	1.2	2.7
120	65	Wit. Nigel 25c	88	......	Q1c	10.9	0.7

FAR WEST RAND

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	680	Blyvoor 25	980	......	Q100c	ϕ	6.7
£21½	£17	Buffels R1	£19¾	−¼	Q180c	ϕ	6.1
£14¼	920	Doornfontein R1	£12½	......	Q110c	ϕ	5.8
£12¾	725	East Drie R1	£10¾	−¼	Q65c	ϕ	4.0
£12½	725	Do. Comb. Units	£10⅞	+¼	—	—	—
450	295	Elsburg R1	405	−5	†Q45c	1.2	7.4
£31	£16	Hartebeest R1	£25¾	−¾	Q215c	ϕ	5.6
£13¾	815	Kloof Gold R1	£11	−¼	Q55c	ϕ	3.3
£17¾	875	Libanon R1	£13¾	−¾	Q110c	ϕ	5.4
£13¾	960	Southvaal 50c	£12⅛	−⅛	Q9c	ϕ	0.4
480	340	Stilfontein 50c	405	+5	‡Q65c	1.3	‡
£33¾	£21	Vaal Reefs 50c	£28¼	−½	‡Q120c	1.7	‡
£11½	650	Venterspost R1	£10	......	Q70c	ϕ	3.0
£55	£34	W. Drie R1	£49	−½	Q485c	ϕ	6.4
745	450	West'rn Areas R1	650	−10	†Q70c	1.4	7.1
£23	£15	Western Deep R2	£20	−1	‡Q150c	ϕ	5.2
520	295	Zandpan R1	450	......	Q35½c	ϕ	5.2

O.F.S.

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
400	290	Fr. State Dev. 50c	370	......	†Q12c	1.8	2.1
£32½	£21	F.S. Geduld 50c	£28¾	−¾	†Q310c	1.1	7.1
960	550	Harmony 50c	780	−30	Q77c	ϕ	6.4
575	320	Loraine R1	410	−10	Q12c	6.7	1.9
£28¾	£19½	Pres. Brand 50c	£23½	−1	†Q245c	1.3	6.7
£25¾	£14½	Pres. Steyn 50c	£17¾	−½	†Q135c	1.8	4.9
£39¾	£21½	St. Helena R1	£31½	−½	†Q150c	1.2	4.7
340	210	Unisel	274	+2	—	—	—
525	370	Welkom 50c	440	......	†Q55c	1.6	8.1
£40	£27¼	W. Holdings 50c	£35½	−¼	†Q445c	1.1	8.1

TINS

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
56	32	Amal. Nigeria	50	......	†20.8	1.6	16.0
160	77	Ayer Hitam	138	......	39.2	1.2	10.9
36	20	Beralt Tin	22	......	—	—	—
424	268	Berjuntai SM2.5	390	......	QSM2	ϕ	9.2
18	13	Ex Lands 10p	17½	......	15	ϕ	14.4
246	215	Geevor	216	......	†74	2.3	13.2
18	11	Gold & Base 12½p	15	......	6.7	1.6	9.2
288	157	Gopeng Cons.	245	......	57	ϕ	9.0
73	55	Hongkong	73	......	—	—	—
58	40	Idris 10p	58	......	67	ϕ	17.8
11	7	Jantar 12½p	11	......	—	—	—
68	43	Kamunting 15p	62	......	†40	0.5	14.9
165	140	Killinghall	165	......	49	—	11.2
192	106	London Tin 20p	177	......	35	ϕ	6.1
220	95	Malay Dredging	190	......	‡43.9	1.6	6.9
49	27	♦Pahang	41	......	†Q12½	1.5	7.9
65	44	Pengkalen 10p	59	......	70	1.0	18.3
95	75	Petaling SM1	95	+3	—	—	—
25	8	Saint Piran	17	−1	‡5.3	1.3	‡
135	68	South Kinta 10p	130	......	†82.5	0.9	9.8
180	73	Sthn. Malayan	150	−3	‡43.9	1.4	11.3
83	47	Sungei Besi 20p	71xd	......	30	ϕ	15.0
43	33	Sungei Way SM1	42	......	ZQ10	—	4.2
84	48	Tanjong 15p	68	......	29	ϕ	9.6
75	58	Tongkah Hb SM1	53	......	‡Q30	1.3	‡
93	42	Tronoh	79	−1	16.1	3.5	7.8

COPPER

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
86	56	Botswana RST P2	72	+2	—	—	—
390	196	Messina R0.50	335xd	−5	‡Q60c	2.9	‡

MISCELLANEOUS

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8	3	Burma Mine 17½p	8	......	m0.5	—	1.7
56	17	Charterhall 5p	54	......	—	—	—
115	75	Colby Mines $1	75#	......	—	—	—
760	360	Cons. Murch. 10c	660	−10	‡Q130c	2.2	‡
53½	29½	Laurasia	36	−½	—	—	—
19	13	NRD $1	15	......	—	—	—
375	200	Northgate C$1	280	−10	Q65c	1.0	10.0
211	80	R.T.Z.	186	......	19.9	4.4	4.1
135	47½	Sabina Inds. C$1	95	......	—	—	—
70	51	Stanford Mines ‖	67	+7	—	—	—
£12½	875	Tara Expln. $1	£10⅜	−⅛	—	—	—
75	38	Yukon Cons C$1	60	......	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to corporation tax of 52 per cent. and ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ∓ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

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FINANCIAL TIMES

Saturday June 14 1975

MAN OF THE WEEK

Friendly but with a hard core

BY JOHN HUNT

IT WAS observed this week by Mr. Nicholas Ridley, the Conservative MP for Cirencester and Tewkesbury, that the Department of Industry has become the graveyard of British politicians. He speaks with some authority as one of the five ministers who were either sacked or transferred from the Department of Trade and Industry (as it then was) under Mr. Heath's Government.

Now, with the departure of Messrs. Benn, Heffer and Meacher, there has been another clean sweep. Ironically the Conservative ministers were removed because their views were too far to the right while the Labour contingent have departed because they were too far to the Left.

The moral seems to be that to remain in the front line of industrial policy making a politician needs to keep his idealogical opinions muted and to have a very sure instinct for survival.

Contrast

In this case the new Industry Secretary, Mr. Eric Varley, could well have a successful run at the Department. Certainly there could be no greater contrast between his political style and that of his predecessor, Mr. Benn.

Not for Mr. Varley the televised open-air meeting of workers and the high flown phrases about the winds of change blowing through industry. He is no "Old Testament prophet without a beard" who will strike fear into the hearts of the captains of industry.

Although his rise has been rapid—at 42 he is the youngest member of the Cabinet—his career has been based on caution and moderation. He has described himself as "an extreme centreist" but this is not to say that he does not have strongly held views. He has written that "to deny the relevance of worker control to-day would be to deny the very basis of Socialism."

Certainly he is not the man to make trouble for No. 10. In fact he is very much a Wilson protege, having been his PPS and one of the so-called "kitchen cabinet" along with Mr. Gerald Kaufman, who now moves to serve under him at Industry.

Low profile

Mr. Varley's "low profile" approach to idealogical matters is illustrated by the Common Market referendum. Although a firm anti-Marketeer and one of the seven in the cabinet who voted against membership, he took almost no part in the referendum campaign. He contented himself with one very effective intervention, warning that Britain might lose full control over North Sea oil by staying in the Community.

Despite his mild manner he is an effective Parliamentarian who does not flap easily. This was seen to advantage on Thursday when he had to go straight into a nasty situation on the committee stage of the Industry Bill to reassure left wingers that no radical changes would be made to the legislation behind their backs.

His 16 months as Energy Secretary should be useful training for the Department of Industry where he will have to maintain a delicate balancing act between the demands of his own left wing and the urgent task of restoring confidence to industry.

Compromise

In dealing with North Sea oil at the Department of Energy, he had to reconcile left-wing pressure for a complete state takeover with the need to reassure the oil companies. In the event, he produced a workable compromise.

At the Department of Energy he kept a strong commitment to the coal industry as one would expect of a miner's son whose political rise came through the ranks of the Derbyshire NUM. A product of Ruskin College Mr. Varley, has represented Chesterfield in the Commons since 1964.

He has a reputation as a friendly, approachable man but trouble-makers who cross his path will find that he has a hard core. In his youth he was a noted footballer, signing on for a time as a semi-professional. Old colleagues remember that he played a very tough game indeed.

Poll defeat is a new blow for Mrs. Gandhi

BY K. K. SHARMA

MRS. INDIRA GANDHI, the Indian Prime Minister, who was unseated on Thursday from Parliament by an Allahabad High Court ruling on an election petition, yesterday received a further shock when her Congress Party suffered a stunning defeat in the legislative asembly elections in Gujarat State in western India.

She had campaigned intensively in the past six weeks in Gujarat, where the elections were considered a gauge of her popularity and that of the party. But Congress won only 74 seats in the 182-member assembly; before the dissolution, it held 140.

A major setback ot Mrs. Gandhi was the number of seats won by the Janata (People's) Front, a combine of five parties led by her rival, Mr. Morarji Desai, who was Deputy Prime Minister until the Congress Party split about six years ago. The Front won 87 seats, only five short of an absolute majority.

The Front, in emerging as the largest single group in Gujarat, is expected to form a coalition State Government there with the help of Independents and the new agricultural workers' party of Mr. Chimanbhai Patel, former Chief Minister of the State, which won 11 seats. Two results are still to be announced, one held up by a count dispute, the other by the death of a candidate.

Congress has no chance whatever of forming a Gujarat Government, and thus loses yet another State. It ruled Gujarat until widespread student riots there forced the Indian Government to clamp President's Rule (direct government from New Delhi) after dissolving the assembly more than a year ago.

The election results are a boost for Mr. Morarji Desai, who led the Front and forced Mrs. Gandhi to agree to early elections in Gujarat by starting a fast-unto-death a few weeks ago. The Front consists of the Hindu-Nationalist Jana Shangh, the Bharatiya Lok Dal (Indian People's Party) and two small Socialist groups in addition to Mr. Desai's own "Congress."

Ominous sign

The Front's victory and Congress's near rout are considered an ominous sign for Mrs. Gandhi, since the election is considered a test of her obviously falling popularity at a time when the next national General Election is less than 10 months away. She faces the task of improving Congress's chances when her own image has been tarnished by Thursday's High Court ruling.

The two other Indian States not ruled by Congress are Kerala, where a Communist-led coalition is in power, and Tamilnadu (formerly Madras) where the Dravida Munnetra Kazagham (DMK), a Tamil regional party, rules.

The Gujarat result will obviously give an impetus to moves for an election pact among the non-Communist parties so that they can effectively fight Congress in the General Election. But there are many hurdles to cross before this becomes a reality, since all parties differ on national issues, even though they got together for the Gujarat election.

Meanwhile Mrs. Gandhi faces the task of preparing her appeal to the Supreme Court against the order of the Allahabad High Court unseating her from Parliament and barring her from holding effective office for the next six years. The Supreme Court is on vacation but it is expected that a special Bench will be called to hear the appeal.

Reuter adds: Several opposition leaders have called upon President Fakhruddin Ali Ahmed to dismiss Mrs. Gandhi from office if she did not resign after the court verdict. "We do not recognise Mrs. Indira Gandhi as the Prime Minister," they said in a cable tothe President. T he cable was sent in the name of the Janata.

New SKF offer expected for Sheffield Twist

BY NICHOLAS LESLIE

A FRESH OFFER by SKF, the Swedish bearings group, for Sheffield Twist Drill and Steel following Thursday's £11.48m. counterbid for STDS by Thorn Electrical Industries was being anticipated by the Stock Market yesterday when it marked the STDS share price up 6p to 91p.

At this level, STDS is capitalised at £12.3m., well above the Thorn offer and the £10.46m. SKF bid.

SKF gave no indication of whether it plans to raise its offer. But it left its options open by deciding to extend the period of its current bid until Thursday June 19.

SKF opened the bidding with the backing of the STDS Board on May 6. Hill Samuel, advisers to SKF, disclosed yesterday that many shareholders had already accepted. Some 51.3 per cent. of STDS stockholders owning 2.9m. shares—21.5 per cent. of the issued capital—have accepted. Thus, with the 340,885 shares it owned before its bid and a further 1.4m. bought subsequently. SKF owns or has acceptances for 38.1 per cent. of the STDS capital.

But unless SKF raises its terms or manages to win control with its present offer STDS shareholders who have already accepted will eventually get their shares back and be able to accept Thorn if they wish to.

A spokesman for Hill Samuel said that SKF was still thinking about what action to take, but that a decision "one way or the other" should be reached early next week.

Because of the rapid rise in the STDS share price neither Hill Samuel nor Hambros, advisers to Thorn, has been able to buy up STDS shares in the stock market, since to do so would automatically make them liable to raise their bids to match their highest buying price.

The winner of the battle for STDS will emerge as the biggest high-speed cutting tools manufacturer in Europe, and of a size matching the largest U.S. companies in the industry. SKF, worldwide, has a cutting-tool business worth £19m., while Thorn, through its Clarkson International Tools subsidiary, has sales of £13m. STDS follows closely with annual sales of around £12m.

The two American leaders in the industry—which is worth a total of £500m. a year—are Acme-Cleveland and Litton, both with annual cutting tool sales of about £32m.

Head of Brandts resigns

BY MICHAEL BLANDEN

MR. MICHAEL ANDREWS has resigned as head and as a director of Brandts, the merchant banking subsidiary of the Grindlays Bank Group.

His resignation represents a major step in the restructuring of the management, promised after the announcement that Brandts last year set aside special provisions of £14m., mainly against property loans.

Mr. Andrews, who was brought in from Samuel Montagu to head the merchant banking operation after Grindlays acquired full control of Brandts in 1972, is to remain a director of Grindlays Bank and of the parent company, National and Grindays Holdings.

It is apparent, however, that under the new structure he will not have an executive responsibility in the group, and he is expected to seek a new full-time post outside.

The announcement yesterday indicated that, under the restructuring of the Brandts management, the post of chief executive is to be discontinued. This is in line with the plan for the merchant bank to be related more closely with the parent group.

Withdrawal

Lord Aldington, chairman of the group and of Brandts, indicated in his recent annual statement that there would be changes in the management relationship between Grindlays and the merchant bank. He said that this was the reason for the decision that Brandts should withdraw from its membership of the Accepting Houses Committee, the top echelon of merchant banks of which Brandts was a founder member.

Under the new structure, a management team comprising "a number of senior executive directors of Brandts" is being formed to run the company, which "will retain its identity as the merchant banking arm of the group."

Lord Aldington remains chairman. Mr. Clifford Vincent, deputy chairman of Brandts and one of the representatives of Lloyds Bank in the group, will take "an active interest in Brandts' affairs."

It is already known that an important step in reorganising the Grindlays management has been taken with the confirmation of Mr. Peter Jeffreys as executive managing director of the Grindlays group, taking over the executive responsibilities previously held by Lord Aldington.

After the setback, it was announced that First National City Bank of New York was to lift its stake in Grindlays from 40 to 49 per cent. as part of a process of increasing the bank's capital. Lloyds Bank holds a 41.4 per cent. stake in the other major shareholder, National and Grindlays Holdings.

Weather

U.K. TO-DAY

DRY, sunny, warm in S.E. Cloudy in most other areas, with some slight rain in Cent. and W. areas. Sunny intervals in N.

London, S.E. and Cent. S. England, E. Anglia, Channel Is.
Dry, sunny spells, increasing cloudy later. Wind W., light or moderate. Max. 23C (73F).

Midlands, E. and Cent. N. England
Cloudy, some bright spells, some rain later. Wind S.W., light or moderate. Max. 22C (72F).

S.W. England, S. Wales
Cloudy, some hill fog, occasiona rain later. Max. 19C (66F).

N. Wales, N.W. and N.E. England, Lakes, I. of Man, Borders, Edinburgh and Dundee, Aberdeen, S.W. Scotland, Glasgow Moray Firth
Cloudy, occasional rain, becoming brighter. Wind W., moderate or fresh. Max. 17C (63F).

Cent. Highlands Argyll, N.W. Scotland, N. Ireland
Cloudy, some sunny spells, scattered showers. Wind W., moderate or fresh, becoming strong. Max. 16C (61F).

N.E. Scotland, Orkney, Shetland
Sunny periods, occasional showers. Wind W., fresh or strong. Max. 15C (59F).

Outlook: Becoming cooler, changeable, with showers and some sunny intervals.

Lighting-up: London 21.48, Manchester 22.09, Glasgow 22.33, Belfast 22.31.

Pollen count: 81, high. Forecast: Higher.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amstrdm.	S	23	73	Luxembg.	S	26	79
Athens	S	24	75	Madrid	S	23	73
Bahrain	S	37	98	Manchstr.	F	18	64
Barcelona	S	23	73	Melbourne	R	11	52
Belfast	C	14	57	Mexico C.	C	17	63
Belgrade	F	25	77	Montreal	S	20	68
Berlin	F	24	75	Moscow	S	20	68
Birmghm.	S	21	70	Munich	S	24	75
Bristol	S	21	70	Newcastle	C	14	57
Brussels	S	24	75	New York	C	22	71
B. Aires	S	15	59	Oslo	F	17	63
Cairo	S	32	90	Paris	S	26	79
Cardiff	S	18	64	Perth	C	20	68
Cologne	F	25	77	Rio de J'o	S	23	73
Copnhagn.	F	15	59	Rome	S	24	75
Dublin	C	17	63	Singapore	C	29	85
Edinb'gh	C	15	59	Stockholm	F	19	66
Geneva	S	24	75	Sydney	R	14	57
Glasgow	C	13	55	Tehran	S	31	88
H. Kong	C	25	77	Tokyo	C	20	68
Jo'burg	S	20	68	Toronto	C	18	65
Lisbon	S	25	77	Vienna	S	26	79
London	S	25	77				

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Biarritz	C	19	66	Las Plms.	F	22	72
Blackpool	C	13	55	Majorca	F	24	75
Bordeaux	C	23	73	Malaga	S	23	73
Cape Town	C	21	69	Malta	S	26	79
Florence	F	25	77	Nairobi	S	23	73
Gibraltar	C	21	70	Naples	S	25	77
Guernsey	S	18	64	Nassau	S	31	87
Innsbruck	F	26	79	Nice	S	21	70
Inverness	C	13	55	Venice	F	26	79
Jersey	S	23	73				

S—Sunny. C—Cloudy. F—Fair. R—Rainy.

Continued from Page 1

Trade

more sharply—to only £59m. in March-May.

The main factors behind this improvement have been the effect of the deepening U.K. recession on the volume of imports—at a time when we have been benefiting in any case from the easing of world commodity prices and the effect on the terms of trade of the continuing sharp rise in U.K. export prices.

Between the three months December-February and March-May export prices (as measured by the official unit value indices) rose on average by 4½ per cent., compared with an increase of only 1½ per cent. in average import prices.

The effect of the U.K. recession was to lower the physical volume of imports sharply—by 6½ per cent. At the same time U.K. exports held up relatively well in the face of the world recession, dropping only 2 per cent. in volume.

The U.K.'s improved showing in OPEC markets is now having a dramatic effect, and the value of our exports to these areas shot up 34 per cent. in the latest three-monthly period.

Home loan figures hold up in May

BY MICHAEL CASSELL

BUILDING SOCIETIES had a very successful month in May, although the record performance achieved in April was not repeated.

Despite April's decision to cut interest rates from the first of this month, a move which in the past has affected the flow of funds in advance of the lower rates, societies continued to prove extremely attractive to investors in May and maintained their record lending levels.

Figures from the Building Societies' Association show that the investing public put £796m. into societies in May, compared with £912m. the previous month. Withdrawals fell from the record April total of £506m. to £479m. leaving net receipts of £317m.

In April net takings soared to a best-ever £406m., and although May's figure was substantially lower it remained the second highest total on record.

Some expansion

Mr. Norman Griggs, secretary-general of the Building Societies' Association, said that the movement's present lending performance would inevitably ease the whole position in the housing market, reduce the unsold stock of more expensive homes which had been on the market for a considerable time and encourage builders to step up their construction programmes.

There is, in fact, already some evidence that private housebuilders are beginning to expand output from the disastrously low levels last year, not least because of the improved position over building society funds and a Government commitment to ensure a steady and reasonably high flow of finance.

Societies advanced £422m. to home-buyers last month compared with only £381m. in April and £176m. a year earlier. More important, the movement committed itself to lending £458m. more during the month, only £8m. below the record level achieved in April. In May last year the shortage of available funds meant that approvals reached only £215m. By the end of May societies were committed to lending a total of just over £1bn.

State schemes

Even so, societies report that demand for home loans is not being fully satisfied yet, although many believe that the situation should be overcome in the next few months.

The movement is keeping a wary eye on the index-linked savings schemes recently introduced by the Government to see whether they have any detrimental effect on the societies' flow of funds.

Early indications are that the limited schemes have not had any substantial impact on the societies' competitive position, although there is concern that if the concept does spread, they may be forced eventually to implement their own index-linked system for savings and loans, a move they are extremely anxious to avoid if possible, but which they accept might become inevitable unless inflation is controlled.

BL facing Triumph ultimatum

By Roy Rogers, Labour Correspondent

NEW problems for British Leyland emerged yesterday after a strike ultimatum by all the 8,000 manual workers at the two Triumph Motors plants in Coventry.

A threat of possible industrial action by 10,000 Rover workers, mainly in Birmingham Solihull areas, also hangs over British Leyland's attempts to bring Rover and Triumph workers into a common pay agreement.

A meeting of Triumph workers yesterday backed their shop stewards' recommendation and gave 17 days' notice of strike action unless the company improves on a 17-17½ per cent. pay offer.

With £1.80 cost of living payments made at the end of last year, the offer would mean rises of between £7.80 and £8.74 a week putting production workers on £61.10, non-production workers on £65.05 and skilled men on £66.29 a week.

The offer, which is for a nine month agreement is insufficient for the Triumph men who want a 21 per cent. six month deal.

Meanwhile, 10,000 Rover workers are dissatisfied with their negotiations under which they have been offered increases of about £8—£7.80 of which they are already receiving through £1.80 cost of living payments, and interim awards of £5. They have told shop stewards to call whatever action is necessary to win an improved offer.

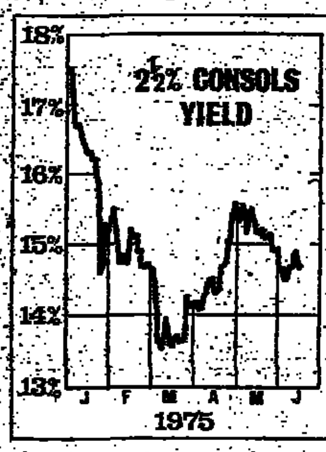
THE LEX COLUMN

Grand Met. begins to recover

It has certainly been an eventful account. In the first week the pre-referendum punters pushed the 30-Share Index up to a new 1975 high with a rise of nearly 17 points over the five days: in the first three days of this week the Index dropped nearly 28 points, taking its cue from the latest slide in sterling, but the late rally last night means that the overall drop on the fortnight is just 4½ points. The uptrend remains intact, although the market has failed to make any significant penetration of a high point first reached in the post-Budget surge back in April.

Yesterday's rise in the 12-month inflation rate to 25 per cent. was, of course, fully anticipated; as is the coming advance to near a 30 per cent. rate by September, reflecting last summer's artificial price lull. On the other hand, the trade figures certainly came as a surprise, for a visible deficit of £100m., let alone the actual £16m., would have been regarded as good. The nasty thought is that this exaggerated cyclical turnround in the balance of payments may take the pressure off the Government, in which case the City's beloved economic package may be postponed still further.

Index rose 5.9 to 340.6



Grand Metropolitan

Grand Metropolitan's profits are beginning to recover though the half-time results are as usual dominated by the group's high gearing. Thus a 21 per cent. advance in pre-interest profits has been clipped to a 10 per cent. gain to £15.32m. at the pre-tax level, following a 27 per cent. jump in interest charges to £27.8m. But the group does at last appear to be getting its debt under control. Although borrowings rose by about £20m. to £30m. in the first quarter, they have since dropped and by the end of the financial year should be below the September 1974 total of £532m. Provided interest rates do not increase, finance costs in the second half should not exceed the interim figure, indicating an interest total for the year of about £56m., against £47.3m.

At the trading level, the first half highlight has been a 64 per cent. increase to £8m. in the profits of the brewing and distribution division, in contrast to the disappointing recent figures from other brewers. But the comparison is with a relatively poor first half for Grand Met's brewing side in 1973-74, while the production side of brewing has generally been holding up better than retailing—which the group includes in another division.

Elsewhere, milk and food (where new plant has come into operation) and hotels (especially overseas) are ahead, while there has been a £1.2m. turnround into profits for associates, mainly reflecting full activity at the new Carlsberg brewery. The only laggard has been wines and spirits because of the problems of the European wine sector though whisky exports are holding up.

This general trading pattern should continue into the second half with a possible pre-interest advance of 15 to 20 per cent., suggesting full-year profits of £37m. to £42m. before tax, against £33.4m., to underpin the recent firmness of the share price. But despite an improved cash flow, disposals and a cut-back in capital spending to half last year's level, the gearing problem remains. Any rights issue thoughts should, however, be seen in the context of a capitalisation of £157m.—even a one-for-three issue would hardly make a dent in the debt mountain.

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Pilkington

Pilkington's shares slumped a sixth in the week leading up to its figures, but the bears were punished yesterday. Admittedly profits for the year to March fell from £43.8m. to £23.4m., with a drop of nearly three-fifths in the second half, and published retentions for 1974-75 are just £2.4m. But the dividend has been increased by the maximum, and the rise can be justified on at least three separate counts.

The first is that although the payment is only 1½ times covered under Pilkington's conservative accounting system, the cover rises to 2.7 times on a conventional historic cost treatment. Secondly, the balance sheet remains strong. Net cash flow fell just short of the year's £36m. capital spend, and the investment in stocks rose by £22m. However, long-term borrowings totalled just £28m. a year ago, when there was a net £8m. of cash in the bank. So even after the cash outflow in 1974-75, debt still cannot represent much more than about a fifth of capital employed—which now totals £310m.

Finally, although profits in the first half of this year seem certain to be down again, the end of the tunnel is now in sight. Volume in the U.K. is still weak. But prices have risen substantially with a 15 per cent. increase in flat glass last month against a rise of 26 per cent. over the whole of last year. Losses on colour TV glassware ran well into seven figures in 1974-75, but after heavy redundancies some improvement is expected here from now on. Incidentally, this side represents less than a tenth of U.K. sales.

Elsewhere Australia is now breaking even after losses (ungroupable for tax) of maybe £3m.—most of which came in the second half. A flood of cheap imports led to a new £15m. float line being shut down for over four months, before tariff barriers were reimposed in January. Canada, too, may be turning the corner and licensing income ought to be more stable after falling an eighth to £15.3m. in the last 12 months.

The upshot of all this yesterday was a 13p rise to 125p, where the market capitalisation is £117m. and the yield nearly 7 per cent. The shares were showing signs of relative strength before this week's bout of nerves, and the firmer pattern may now be resumed.

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